

RECEIVER'S 120-DAY REPORT AND FINANCIAL IMPROVEMENT PLAN FOR

PEACH SPRINGS UNIFIED SCHOOL DISTRICT #8

Peach Springs, Arizona

Report Date:
January 22, 2008

Submitted To:
Arizona State Board of Education

Veriti Consulting LLC

8111 E. Thomas Road, Suite 120 Scottsdale, Arizona 85251
Ph 602.229.1280 Fx 602.229.1281 www.veriticonsulting.com

Business Valuation • Litigation Support • Forensic Accounting • Fraud Investigations

TABLE OF CONTENTS

I.	RECEIVERSHIP	1
A.	Appointment	1
B.	Receivership Team	1
C.	Receiver's Authority Pursuant to A.R.S. § 15-103(F)	2
II.	DISTRICT OVERVIEW	3
A.	Facilities	3
B.	Student Counts and Class Size	4
C.	Community	6
III.	EDUCATIONAL ASSESSMENT	9
A.	Lack of Arizona School Improvement Plan	9
B.	Evidence of Continued Improvement of Student Performance	10
C.	Evidence of Relevant Professional Development	13
D.	Presence of a Curriculum Aligned to State Standards	15
E.	Parent/Community Involvement in the Educational Process	16
F.	Efforts to Provide Structures for Effective District Operations	17
G.	Impact of Financial Crisis on the Educational Process	18
IV.	ADMINISTRATION ASSESSMENT	19
A.	Governing Board	20
B.	Superintendent	22
C.	Administrative Staff	26
V.	FINANCIAL ASSESSMENT	28
A.	Historical Budget Overexpenditures	28
B.	Gross Mismanagement and Corrective Actions	29
1.	Accounting Internal Controls	29
2.	Facilities Internal Controls	34
3.	Environmental and Safety Controls	35
C.	Facilities	35
D.	Waste of District Resources	36
E.	Construction Projects	37
1.	Music Mountain High School	37
2.	Junior High School and Administrative Offices	38
VI.	FINANCIAL IMPROVEMENT PLAN	42
A.	Cost Savings Implementation	42
B.	Attempt to Raise Revenues Through Tax Levy Increases	46
C.	Unknown Future Costs	46
VII.	RECEIVER'S RECOMMENDATIONS	49
A.	Former Superintendent	49
B.	Governing Board	49

C.	Financial Recovery of Peach Springs Unified School District	50
1.	No Change in the District's Overexpenditure Correction Period	50
2.	Legislative Extension of Overexpenditure Correction Period	50
3.	Covert PSUSD into a Transportation-Only District	51
4.	Convert PSUSD into a Charter School District	51
5.	Bankruptcy	52
6.	Combination of the Above Recommendations	52
VIII.	TIMELINE	53
IX.	CONCLUSION	54

APPENDIX

Receiver Statutory Legend

ATTACHMENTS

Annual Expenditure Budget FY 2007-2008 (As Adopted and Revised)

Annual Financial Report FY 2006-2007

EXECUTIVE SUMMARY

Veriti Consulting LLC was appointed by the State Board of Education on August 27, 2007, to be the receiver ("Receiver") for Peach Springs Unified School District #8 ("District"). In accordance with Arizona Revised Statute ("A.R.S.") §15-103(F), the Receiver has completed its detailed report of a full review and investigation of the District's financial affairs, as well as a financial improvement plan.

The District is located in Peach Springs, Arizona (Mohave County) and resides on the Hualapai Indian Reservation. There are approximately 200 students currently enrolled in this remote District. There are two operational schools (one elementary school and one combined junior high and high school), as well as a fully-constructed junior high school and district administrative office that has not opened due to lack of funding and low enrollment. The District also sponsored charter schools in the past. However, with the exception of one charter school, Sterling Academy of Mathematics and Science, these relationships have currently ceased. The District has experienced a decrease in student growth during the current fiscal year. The student assessment data indicates that students are currently at an underperforming level.

The District overexpended its maintenance and operating budget during the past year by approximately \$1.5 million. The District voluntarily entered into a consent agreement ("Consent Agreement") and consent order ("Consent Order") on August 27, 2007, to be placed into receivership with a two-year time period to correct the past overexpenditures.

The Receiver has proposed five alternative financial plans for the State Board of Education's review. It is the Receiver's opinion, given the dire financial situation of the District, that legislative relief, combined with the sale or lease of unused district real property and closure of one or both of the District's schools, is the most probable outcome of the alternatives presented. This outcome will likely result in Peach Springs becoming a transportation-only district. Only improved enrollment, attendance and performance by the students and community will possibly change this most likely of outcomes.

Pursuant to A.R.S. § 15-103(F) and the financial improvement plan incorporated herein, the Receiver requests of the SBE the authorization and power to do the duties stipulated in A.R.S. § 15-103(F)(1) through § 15-103(F)(11).

I. RECEIVERSHIP

Pursuant to A.R.S. § 15-103, on August 27, 2007, the Arizona State Board of Education ("SBE") placed Peach Springs Unified School District #8 ("PSUSD" or "District") into immediate receivership. Veriti Consulting LLC, a Scottsdale, Arizona-based consulting firm, was appointed receiver (the "Receiver").

A. Appointment

The District was placed into receivership based on having overexpended its total general budget limit, including its maintenance and operating ("M&O") budget, for the fiscal year ("FY") 2006-2007 by approximately \$1.5 million. Pursuant to A.R.S. §15-915, the cumulative overexpenditure must be corrected within two budgetary years. The District agreed that it falls within the definition of being insolvent if it "has accumulated and has operated with a deficit equal to five percent or more of the school district's revenue control limit for any fiscal year within the past two fiscal years." The District waived any right to contest the validity of A.R.S. § 15-103 and authorized its attorneys, its Governing Board President and its Superintendent to agree to the terms of the Consent Agreement on its behalf to fully bind the District to the terms of the Consent Order and was immediately placed into receivership.

Pursuant to A.R.S. § 15-103(F), the Receiver is required to submit a detailed report of its full review and investigation of the District's financial affairs, as well as a financial improvement plan, to the SBE. Pursuant to that statute, the Receiver is submitting this report (the "Report").

B. Receivership Team

Members of the Receiver team working with the District and who participated in the preparation of this Report are as follows.

Elizabeth B. Monty, CPA/ABV, CVA, CFE, CrFA

Receiver and overseer of District financial and operational activities.

John P. White, CPA/ABV, MBA, CBA, CFE, ASA, CrFA

Receiver and overseer of District financial and operational activities.

Tommie Miel, M.Ed.

Educational/curriculum consultant and overseer of District educational activities.

Other employees of Veriti Consulting, working under the direction of the above individuals, were involved in various financial and educational aspects of the receivership process. When reference is made herein to the "Receiver," Ms. Monty and Mr. White are the intended parties.

C. Receiver's Authority Pursuant to A.R.S. § 15-103(F)

Pursuant to A.R.S. § 15-103(F) and the financial improvement plan incorporated herein, the Receiver requests of the SBE the authorization and power to do the duties stipulated in A.R.S. §§ 15-103(F)(1) through 15-103(F)(11).

II. DISTRICT OVERVIEW

PSUSD is located in Peach Springs, Arizona, which is in Mohave County. Peach Springs is a rural town situated on Route 66 between Flagstaff and Kingman. Its population was 600 at the 2000 census. The District's educational facilities are located on the Hualapai Indian Reservation ("Reservation"). The District educates approximately 200 students exclusively from the Hualapai Tribe ("Tribe"), who reside on the Reservation.

Mr. Eugene Thomas was the former superintendent ("Former Superintendent"), having served from August 2005 through June 2007. During Mr. Thomas' tenure, the District entered into and constructed an 11,000 square foot junior high school and district administration building. Also during Mr. Thomas' tenure as superintendent, the District incurred substantial operating overexpenditures and construction debt that resulted in the appointment of the Receiver in August 2007.

Mr. Steven Condict is the current superintendent ("Current Superintendent"), having taken the position in late July 2007. During his brief tenure, operating costs have been cut significantly, and disciplinary and other administrative issues are being addressed.

A. Facilities

There are currently two operational schools:

- *Peach Springs Elementary School* ("PSES") was constructed in the mid-1950s, and was originally named Isabelle Miller Elementary School. Various additions have been made to the original structure over the years, and currently it is adequately equipped to meet the community's educational needs. There are presently 144 students enrolled at the K-6 facility. It has capacity for 570.
- *Music Mountain Junior/Senior High School* ("MMHS") opened in 2001 and serves grades 7 through 12. Current enrollment is 56 students, with a total student capacity of 350. The school was financed by the United States Department of Agriculture ("USDA"). The facility comprises approximately 49,000 square feet and includes administrative offices, a gymnasium and shop facilities.

In addition to the above facilities, Peach Springs has a newly-constructed junior high school and district office, a bus barn and nine trailers that function as teacher housing located adjacent to MMHS. The MMHS facilities are located at 16500 East Highway 66, Peach Springs, Arizona. Peach Springs Elementary School is located at 406 Diamond Creek Road, Peach Springs, Arizona.

In the past, the District sponsored various charter schools within Arizona. However, effective June 30, 2006, the agreements with the various charter schools were terminated by Mr. Thomas. The District settled two lawsuits as a result of these contracts as of December 31, 2007. At the date of this Report, one charter school contingency remains. The Receiver is in the process of reviewing various correspondence and obligations allegedly due to Sterling Academy of Mathematics and Science, pursuant to the terms of the charter agreement.

B. Student Counts and Class Size

The District has experienced a fluctuation in student count during recent years. As of December 31, 2007, the District's student count was 16.3 percent less than the previous year's enrollment. Table 1 below presents student counts as of December 31, 2007, as well as changes in student counts from prior years.

TABLE 1
Peach Spring Unified School District #8
Student Counts

Grade	PSES	MMHS	TOTAL
Kinder	29	-	29
1st	29	-	29
2nd	14	-	14
3rd	17	-	17
4th	14	-	14
5th	20	-	20
6th	21	-	21
7th	-	18	18
8th	-	10	10
9th	-	8	8
10th	-	5	5
11th	-	6	6
12th	-	9	9
Totals	144	56	200

FY 2007-2008 student count as of December 31, 2007 200

Decline from FY 2006-2007 to FY 2007-2008: -16.3%

FY 2006-2007 student count ¹ 239

Decline from FY 2005-2006 to FY 2006-2007: -9.1%

FY 2005-2006 student count ¹ 263

Growth from FY 2004-2005 to FY 2005-2006: 0.4%

FY 2004-2005 student count ¹ 262

Note

¹ Based on the high enrollment counts reported for purposes of obtaining Federal Impact Aid. As will be discussed later in the Report, the District failed to maintain proper attendance enrollment records, so the student counts presented to ADE may not be correct.

It should be noted that, based on information provided to the Receiver, attendance was inconsistently reported in the years prior to FY 2007-2008.

The current year decline in enrollment is allegedly due to the fact that many parents believed the District would not be operational in FY 2007-2008 and therefore opted to send their children to neighboring districts or boarding schools. Based on information obtained by the Receiver, approximately 50 percent of the total student population attends school in Peach Springs. This is further discussed in the *Community* section.

C. Community

The students served by PSUSD are exclusively Hualapai children. Many of the students in the local community who would otherwise attend PSUSD schools presently attend schools in other districts. Some of these students are in schools in Kingman, Arizona or Seligman, Arizona, or are attending Native American boarding schools. Based on information obtained by the Receiver, only 200 of the approximate 400 student population in Peach Springs actually attend school in the District. The community faces a dilemma because the high school does not offer sports programs, extracurricular activities, or advanced academic programs due to low enrollment and budgetary constraints. As such, some parents send their children to schools where such services are available. This presents a problem for the District, in that enrollment is low, which decreases funding, which prevents the District from offering extracurricular activities to attract and keep students.

In addition, the District is currently on a four-day school week (Monday through Thursday) due to the fact that many families allegedly travel out of town over long weekends, removing students from school to attend family trips. The Receiver sensed a mixed opinion regarding the importance of education in the community. Some individuals interviewed expressed concern that education is not a core value of the community, while others stated that their children could not obtain a quality education in PSUSD and therefore send their students to other schools.

The non-tribal taxpayers who reside in the District do not send their children to PSUSD due to alleged violence. The non-tribal taxpayers have been very vocal against maintaining PSUSD and, as based on communications received by the Receiver, are averse to assisting the District recover from the financial overexpenditures caused by the past gross financial mismanagement.

The Receiver has met with and interviewed the PSUSD Governing Board and Tribal leaders regarding the status of the District and the community's attitude toward it. Despite the mixed opinions the community places on the importance of education, there appears to be a strong desire to keep all educational services in Peach Springs. It has been communicated that there are four factors that will help keep the schools open—enrollment, attendance, behavior and performance. Each of these factors is discussed below:

- **Enrollment:** As Table 1 presents, enrollment is declining, particularly at MMHS. A number of parents, including some Governing Board members, have withdrawn their children from the District. The community must understand that declining enrollment directly results in reduced funding for the schools. The best way to find funding for the schools is to increase enrollment. Reductions in funding as a result of declining enrollment make it impossible to maintain extracurricular activities for students, and in a worst case scenario, make it impossible to keep the schools open.

IT IS IMPERATIVE THAT PARENTS ENROLL THEIR CHILDREN IN PSUSD TO MAINTAIN THE FUNDING NEEDED TO KEEP THE SCHOOLS OPEN AND PROPERLY FUNCTIONING.

- **Attendance:** Poor attendance has a significant detrimental impact on PSUSD. This District has changed to a four-day school schedule in an effort to improve attendance because so many students were missing classes on Fridays. In addition, many junior and senior high school students do not regularly attend classes. The current administration is making commendable efforts to improve attendance, but the reality is it requires the parents' cooperation and participation to make this happen. Poor attendance negatively impacts funding.

IT IS IMPERATIVE THAT PARENTS REQUIRE THEIR CHILDREN TO CONSISTENTLY ATTEND CLASSES TO MAINTAIN THE FUNDING NEEDED TO KEEP THE SCHOOLS OPEN AND PROPERLY FUNCTIONING.

- **Behavior:** It is difficult to keep quality teachers when students engage in inappropriate behavior in the classroom. The Current Superintendent struggles to keep the students under control and allegedly has been met with some opposition from the Governing Board and community regarding his efforts to discipline students who disrupt classes. It is impossible to offer quality education to students who want to learn, when the teachers and administration cannot control problem students and their efforts to do so are met with opposition.

IT IS IMPERATIVE THAT PARENTS AND THE GOVERNING BOARD SUPPORT THE ADMINISTRATION IN ITS EFFORTS TO DISCIPLINE PROBLEM STUDENTS. FURTHERMORE, PARENTS MUST ENCOURAGE THEIR CHILDREN TO BE RESPECTFUL OF THE TEACHERS AND ADMINISTRATORS.

- ***Performance:*** As discussed in the *Educational Assessment* section of this Report, PSUSD schools are not performing at an acceptable level. This is reflective of the factors described above and a result of the lack of commitment and enforcement by the parents to communicate the importance of education.

IT IS IMPERATIVE THAT PARENTS AND THE COMMUNITY EMPHASIZE THE IMPORTANCE OF EDUCATION AND THE OPPORTUNITIES THAT EXIST WITH A QUALITY EDUCATION. THE DISTRICT'S TEACHERS ARE VERY COMMITTED TO ASSIST WITH THIS EFFORT AND WOULD LIKE THE COMMUNITY TO ENCOURAGE STUDENTS TO STRIVE TO BE A PERFORMING DISTRICT.

III. EDUCATIONAL ASSESSMENT

This section of the Report summarizes information gathered in the areas of continuous school improvement, continuous efforts to improve student performance, efforts to provide relevant professional development, efforts to provide a curriculum that is aligned to state standards, efforts to provide structures for effective District operations, and parent/community involvement in the educational process.

A. Lack of Arizona School Improvement Plan

The District lacks a formal Arizona School Improvement Plan ("ASIP"). Teachers indicated that in previous years they worked in groups or in committees to evaluate their schools and determine goals for improvement. Some of this work was completed during FY 2006-2007 and was submitted to the administrative office. Teachers indicated that once their work was submitted, no subsequent information regarding the development of a school improvement plan was forthcoming. Teachers who have been in the District this year are not aware of a plan for school improvement. Teachers see themselves as individuals, not as a team, making an effort to improve student achievement.

The Current Superintendent's primary objective is to keep the District functioning on a daily basis. He believes that data collected during FY 2007-2008 will provide him with information from which he will develop a new educational baseline.

Current goals for FY 2007-2008 include:

- To work on correcting the financial crisis.
- To bring special education ("Special Education") requirements into compliance.
- To prepare completion reports and work on grant management.

Based on interviews with leadership and teachers, the absence of the ASIP is neither a problem nor a concern. It is believed that a variety of other issues that plague the schools and the District, as addressed in the *Community* section of this Report, are the reasons for the decline in student achievement.

Recommendations:

1. Involve staff and parents in the community in the development of a school and District improvement plan with action steps that provide direction toward the accomplishment of the goals stated by District administration.
2. District administration and staff will review the importance of developing a school improvement plan and the continued revision of that plan in order to address student and school needs. The school improvement plan provides the criteria, guidelines, and basis for making all instructional decisions.
3. Collaboratively review the progress made toward the accomplishment of goals and revise the plan to address newly identified needs.
4. Take steps to ensure that all staff, students, and parents are aware of the school improvement goals and ensure they are actively implementing steps to reach the identified goals.

B. Evidence of Continued Improvement of Student Performance

The evidence of continued improvement of student performance is measured by both federal and state programs. The federal accountability system is No Child Left Behind ("NCLB"), while the state's accountability system is Arizona Learns ("AZ LEARNS"). The following is a summary of the District's performance with respect to these two programs:

The results of the Federal Accountability System – NCLB are as follows:

AYP History by School:

Peach Springs Elementary School:

<u>Fiscal Year</u>	<u>Met AYP</u>	<u>School Improvement Status</u>	<u>Superintendent</u>
2002-2003	Met	N/A	Herman Parker
2003-2004	Met	N/A	Damon Clarke
2004-2005	Not Met	N/A	Damon Clarke
2005-2006	Not Met	Warning Year	Eugene Thomas
2006-2007	Not Met	Year 1 School Improvement	Eugene Thomas

Music Mountain Jr. / Sr. High School:

<u>Fiscal Year</u>	<u>Met AYP</u>	<u>School Improvement Status</u>	<u>Superintendent</u>
2002-2003	Met	N/A	Herman Parker
2003-2004	Met	N/A	Damon Clarke
2004-2005	Not Met	N/A	Damon Clarke
2005-2006	Not Met	Warning Year	Eugene Thomas
2006-2007	Not Met	Year 1 School Improvement	Eugene Thomas

The results of the AZ LEARNS are as follows:

AZ LEARNS History by School:

Peach Springs Elementary School:

<u>Fiscal Year</u>	<u>Status</u>	<u>Superintendent</u>
2001-2002	Maintaining	Herman Parker
2002-2003	Small School Status ¹	Herman Parker
2003-2004	Performing	Damon Clarke
2004-2005	Performing	Damon Clarke
2005-2006	Underperforming	Eugene Thomas
2006-2007	Underperforming	Eugene Thomas

Music Mountain Jr. / Sr. High School:



<u>Fiscal Year</u>	<u>Status</u>	<u>Superintendent</u>
2002-2003	New School	Herman Parker
2003-2004	Underperforming	Damon Clarke
2004-2005	Underperforming	Damon Clarke
2005-2006	Performing	Eugene Thomas
2006-2007	Underperforming	Eugene Thomas

¹ No profile until October 2004.

TABLE 2
Peach Springs Unified School District #8
AIMS 2005-2006 Results
Proficiency in Math, Reading and Writing

Grade	% Proficient Math	% Proficient Reading	% Proficient Writing	State Benchmark	
				Math	Reading
3	9%	14%	22%	54.6%	62.6%
4	47%	26%	32%	63.2%	56.0%
5	43%	38%	33%	46.6%	54.6%
6	23%	26%	80%	54.4%	56.0%
7	35%	39%	70%	58.4%	59.2%
8	NA	NA	9%	38.0%	54.0%
9-12	NA	18%	NC	40.0%	48.6%

Legend

	State benchmark met	NA: Not applicable
	State benchmark not met	NC: Not calculated

The above assessment data indicates that students are not performing at an acceptable level. This is not a surprising result, given the mixed commitment level of education in the community, the unstable environment of the District as a whole, and alleged problems with past District administrations.

The following summarizes the District's support for special populations and the Local Educational Agency ("LEA") improvement:

Support for Special Populations:

- Special Education: Both the Superintendent and the Special Education Coordinator indicated a concern regarding noncompliance issues in the special education programs. Twenty-four K-12 students have been placed in special education.
- Comments made regarding the program indicate a deep concern for the students. There is concern about the student identification process. There is no child-study team. The special education coordinator is meeting with parents to correct Individual Education Plans ("IEPs"). In prior years, promises were made to parents and written into IEPs that cannot be carried out.

- English Language Learners (“ELL”): It is left to the individual teacher to identify and provide appropriate instruction to students that he/she believes to be ELL. In the primary classes it is sometimes difficult to know because language difficulties may come from developmental or environmental conditions.
- Students who are Falling Far Below or Approaching: After-school tutoring is no longer provided. Last year students were kept after school for one hour to give them help.

LEA Improvement:

Peach Springs Unified School District has been designated as in Year 1 of LEA Improvement. They did not successfully reach the proficiency targets in reading/ language arts or math.

Recommendations:

1. Recruit teachers who are highly qualified in the areas of math, language arts, and science.
2. Involve parents and students in developing incentives for improving student attendance.
3. Provide professional development that will assist administrators and teachers in using assessment data to make appropriate instructional decisions.
4. Require teachers to provide instruction that is directly aligned to the state academic standards.
5. Develop an action plan for addressing the noncompliance issues in special education.
6. Schedule intervention classes during the school day for students in need of extra assistance.

C. Evidence of Relevant Professional Development

As previously stated, the District has a four-day school week. Professional development activities are supposed to be scheduled one Friday per month. However, to date, teachers indicated they were not aware of any scheduled professional development for the current

school year. The professional development activities presented in the previous school year appeared to meet the needs of the teaching staff. Last year the training presented included:

- Smart Board training – At this time, not all of the boards have been installed. If the board is not in working condition it will not be repaired. The District's Information Technology ("IT") position is currently vacant, and the District has incurred significant debt to outside contractors.
- Electronic Report Card training – At this time, these are inoperable.
- Disciplinary training
- Curriculum mapping
- The Six-Traits of Writing

It should be noted that the above trainings have not been rescheduled for this school year. This is, in part, due to the Current Superintendent's focus on the very basic goal of keeping the schools open on a daily basis. In addition, a PSUSD teacher indicated that professional development activities must be repeated each year due to the constant turnover in staff.

Due to a staffing shortage, staff has been asked to help serve students in the cafeteria. The staff attended professional development activities this year, which made it possible for them to earn a Food Handlers Certificate.

Recommendations:

1. Once school and District improvement goals have been identified, the District should plan professional development sessions that will provide opportunities for learning skills necessary for meeting those goals.
2. Involve staff in the planning and implementation of professional development sessions.
3. Develop, publish, and implement a professional development calendar reflecting professional development that supports school/District improvement goals.

4. Communicate to staff an expectation that new skills learned will be practiced in the classroom.

D. Presence of a Curriculum Aligned to State Standards

The *Standards and Rubrics for School Improvement* defines curriculum as an organized plan of instruction (scope and sequence; curriculum maps; instructional materials and alignment documents) that engages students in learning the Standards, Concepts, and Performance objectives identified at the state and local level.

The teachers have worked in the past to develop curriculum maps to guide instruction. However, the teachers have indicated that presently there is no required use of curriculum maps. Some of the teachers say they are using maps that were created last year or during the summer. One of the teachers interviewed, who has been in the District for only one year, stated she is using a Scope and Sequence Chart from a textbook. Other teachers said they use the standards and obtain information from the Arizona Department of Education ("ADE") web site.

The Career and Technical Education teacher indicated the desire to create a program that will help the students to become licensed contractors. If they can accomplish this, the students could possibly be hired by Grand Canyon West Corporation, or have other local employment opportunities. Grand Canyon West Corporation was incorporated by the Tribe to develop and build the sky walk at the Grand Canyon. Its offices are in Peach Springs, Arizona.

Some teachers indicated the materials they had were either brought with them from their previous district or purchased by themselves. However, there is a cabinet of special education materials at the District, some of which remain unopened. Allegedly, no materials have been provided to the kindergarten class. Materials in the kindergarten room included arts and crafts materials, but not materials for teaching the curriculum. The District did not receive consumable books for K-3 students this year. Allegedly, the books were ordered; however, the purchase requisition was stopped at the District's administrative office due to a lack of funds.

The junior high school students have only grammar books—no English or literature books. In addition, there are allegedly not enough books for an entire class.

Recommendations:

1. Require the use of curriculum maps that have already been developed.
2. Require the development and revision of curriculum maps in all content areas.
3. Provide an adequate number of instructional materials that are aligned to the curriculum.
4. Develop a materials selection process that will guarantee materials selected will be aligned to the curriculum and the state standards.

E. Parent/Community Involvement in the Educational Process

Keeping the community informed is a major component for inspiring involvement. The District must be willing to tell the bad news along with the good. Parent and community involvement at the District is minimal, or at best sporadic.

The Current Superintendent states there is low attendance at school functions designed for parent information meetings. The Receiver was not made aware of any assessment designed to determine how best to provide this community with information. There have been few community attendees at the District's board meetings.

In October 2007, the Current Superintendent attended a Tribal meeting and spoke in an effort to gain community support. He provided information regarding the District's financial concerns, special education issues, poor student attendance, and the perception that there is an apparent lack of desire among the students to leave the Reservation. The Tribe voted to make a \$280,000 contribution to the District. The Superintendent indicated this sum of money allowed him to retain the present classroom support staff.

The District has no Site Council or Parent Teacher Organization. The Receivers were told this was due in part to the rumor that the District was going to shut down. Based on information provided to the Receiver, there is allegedly limited parent support. Parents don't attend parent/teacher conferences at MMHS. However, at PSES, some parents come to visit in the classroom and help out during field trips. The special education coordinator indicated every parent has shown up for IEP meetings that have been scheduled for this school year.

Recommendations:

1. Involve parents, community, and Tribal council members in developing a plan that will encourage meaningful involvement in the District, the schools, and in children's learning.
2. Develop and publish a list of tasks that could be completed by parents and would be of assistance to teachers.
3. Involve parents, community, and Tribal council in determining the best methods for keeping the community informed regarding the District, schools, and student performance.

F. Efforts to Provide Structures for Effective District Operations

Structures and processes that support each other and ensure the optimal operation of day-to-day business within the District were not visible. There is no human resources department to provide services to the staff or to recruit staff necessary to fill vacant positions. There is a great need for highly qualified teachers in all areas. There are vacancies in food services, security, maintenance, and information technology.

While the teachers have some technology equipment, if that equipment fails there is no technician in the District who is able to correct any deficiencies.

As previously addressed, there is an extreme attendance problem in the District. Staff is not available to follow up with students and families to address concerns. The Current Superintendent has expressed inadequate support on disciplinary issues. Parents and some Governing Board members are critical of disciplinary actions that need to be taken, therefore allowing some students to verbally abuse and threaten teachers and staff.

In addition, the financial issues are having an extreme effect on the educational process.

Recommendations:

Organize teams (membership made up of administrative and teaching staff, parents, and community and Tribal council members) that will develop or revise processes for:

- Curriculum development and instructional materials selection.
- Provide human resource services to staff and recruit staff for vacant positions.

- Addressing student attendance concerns.
- Addressing disciplinary issues that create a supporting environment for the Current Superintendent.
- Collaborating to continue addressing financial concerns.

G. Impact of Financial Crisis on the Educational Process

The following issues and concerns were expressed by District staff due to the present financial crisis in the District.

- The District has found it very difficult to attract and retain highly qualified teachers in all content areas.
- Adequate and appropriate instructional materials are not available for classroom use.
- The staff is faced with being more concerned with financial needs rather than academic and instructional needs.
- Technology is available but is not always in working condition. The District cannot hire the staff necessary to maintain the technological equipment.
- Wireless capability for the teaching staff was terminated due to budgetary constraints.
- The teaching staff must assist in the cafeteria due to a staffing shortage.
- Title I staff have been placed in the classroom, therefore they are not available to address Title I needs.
- After school tutoring is not available to students due to budgetary constraints.
- Other than the Current Superintendent, staff is not adequate to address attendance and discipline concerns.

The challenge is to engage the District, Governing Board members, and the community in a strategic planning process that will result in the ongoing improvement of all District operations.

IV. ADMINISTRATION ASSESSMENT

The District is administered by the Governing Board, Superintendent, and Administrative Staff. The Governing Board has certain responsibilities, including recognizing that money and its management constitute the foundation of the entire school program. According to District policies, the Governing Board shall intend to:²

- Encourage short and long-range planning through the best possible budgeting procedures.
- Explore all practical and legal sources of monetary income.
- Guide the expenditure of funds to achieve the greatest educational returns.
- Require maximum efficiency in accounting and reporting procedures.
- Maintain, within budget limits, a level of per-student expenditure needed to provide high-quality education.

Along with presenting a proposed budget for consideration of the taxpayers, the Governing Board is responsible for periodically throughout the year reconciling the budget to actual expenditures of the District. The Governing Board may authorize the expenditure of monies budgeted within the maintenance and operation section of the budget for any subsection within the section *in excess of amounts specified in the adopted budget only by action taken at a public meeting of the Governing Board and if the expenditures do not exceed the amount budgeted*. Clearly, the Governing Board has a responsibility to reconcile the budget to expenditures and oversee the expenditures as a whole for the District.

Based upon the Receiver's review of Governing Board meeting minutes, it appears that while some board members did question various expenditures, in general, there was a consistent lack of oversight by the Governing Board on behalf of the Former Superintendent's spending. It should be noted that Governing Board minutes for some meetings could not be located at the District offices.

² PSUSD Policy Section D – Fiscal Management.

A. Governing Board

The Governing Board is currently comprised of:

- Adeline Crozier, president, member since 2004.
- Artemisa Vaughn, member since 2004.
- Emma Clark, member since 2004.
- Leila Parker, member since 2006.
- Waylon Honga, member since 2001.

In accordance with the District's policies (Section B-0200), the duties and obligations of the Governing Board include the following:

“To become familiar with the state's school laws, regulations of the State Board of Education and District policies, rules and regulations.”

“To have a general knowledge of the educational aims and objectives of the system.”

“To represent the Board and the District to the public in a manner that promotes both interest and support.”

“To vote and act in Board meetings impartially for the good of the District.”

In addition, Board member responsibilities include that:

“Individual Board members exercise authority over District affairs only by way of votes taken at a legal meeting of the Board.”

The Receiver interviewed all Governing Board members. The conclusion of the Receiver is as follows:

- The Governing Board should be more familiar with state school laws and/or SBE policies, rules and regulations.

- The Governing Board should obtain further education to better understand the educational aims and objectives of the educational system.
- The Governing Board should portray an overall image that promotes both interest and support of the District and its administration.
- Based on information provided to the Receiver, the Governing Board has violated open meeting laws in the past.

The Receiver noted that Governing Board members do not send their children to PSUSD. Of the approximately 400 students in the Peach Springs area, only 200 attend school in the District. Governing Board members claim that due to the lack of extracurricular activities, increased violence and the uncertainty of the District's future, many community members—including themselves—opt to send their children to nearby Seligman or Kingman districts, or alternatively, to Native American boarding schools.

Based on the Receiver's findings to date, it appears many important financial decisions were approved by the Board without thinking through the consequences or the necessity for the expenditure. In particular, the ancillary building adjacent to MMHS was constructed for approximately \$2 million, without any consideration that there was ample space in existing facilities to house and separate the junior high school students from the high school students. When the Receiver questioned the approval of this construction, all Board members stated they placed significant reliance on the Former Superintendent's opinions related to the District's financial matters, especially those requiring the Governing Board's voting approval. It should be noted the Board minutes containing the vote and approval of this expenditure are missing from the District office. None of the Board members or District personnel could locate the minutes and Board packet approving this expenditure. In addition, the minutes from this Board meeting are allegedly not on any of the District computers, based on information provided to the Receiver.

Several Governing Board members interviewed by the Receiver allege the Former Superintendent did not allow them sufficient time to review agenda items before making a vote. In addition, these members allege the Former Superintendent exerted pressure on them to hastily make decisions with significant financial consequences.

The Receiver also became aware of instances where public support was given, but behind-the-scenes actions were contrary to the public commentary. This is especially evident in the disciplinary actions. The Receiver was notified of alleged instances where

Board members reprimanded teachers and the Current Superintendent for discipline actions rightfully taken against District students.

In addition, the Governing Board members should understand that outside of executive session meetings related to personnel or legal matters, discussions cannot be made off the record. Based on the above observations and instances, the Receiver recommends additional training and education be provided for Governing Board members.

B. Superintendent

The relationship between the Governing Board and the Superintendent includes the establishment of policies that are responsibilities of the Governing Board, and the execution of those policies is a function of the Superintendent. In accordance with District policies, the following items are to be included in the Superintendent's fiscal responsibilities:

Annual Budget:

- Formulate the annual budget, considering at all times those resources must be utilized to produce the most positive effect on the students' opportunity to gain an education.
- Shall be responsible for reviewing budgetary requests, providing guidelines and limitations, and presenting the proposed budgets and documentation necessary for Governing Board study, review, and action.
- Shall inform the Governing Board if the proposed budget could require an increase in the primary tax levy of the District over the preceding year's tax levy.
- Prepares a monthly report of expenditures and revenues and presents it to the Governing Board in order to determine if budgeted expenditures are in keeping within the adopted budget. Variances should be noted. In accordance with District policy, *any expenditure exceeding in a major subsection of the maintenance and operation budget shall require Board approval* [emphasis added].³

³ PSUSD Policy Section D-0750.

Fiscal Accounting and Reporting:

- Shall be ultimately responsible for receiving and properly accounting for all funds of the District.
- Shall provide to the Governing Board periodic reports showing the financial condition of the District.
- Shall be responsible for student accounting and shall report enrollment and attendance as required by law.

Based on the Receiver's findings to date, the Former Superintendent did not comply with many of the above District policies. The following are examples of areas relating to fiscal and administrative noncompliance by the Former Superintendent:

- The Former Superintendent failed to maintain and report accurate attendance records in violation of Uniform System of Financial Records ("USFR").
- The Former Superintendent allegedly did not consistently utilize financial resources to produce a positive effect on student education.
- There was inadequate consideration of fiscal matters relative to the District's budget, in addition to inadequate controls and/or reviews relative to District expenditures.
- The Former Superintendent allegedly failed to account for funds of the District, which resulted in severe budget overexpenditures.
- The Former Superintendent allegedly failed to provide the true financial condition of the District to the Governing Board on a regular basis.
- The Former Superintendent allegedly failed to establish inventory procedures and maintain fixed assets as required by USFR.
- The Former Superintendent allegedly failed to go through proper procurement procedures according to the Arizona school district procurement rules.
- The Former Superintendent allegedly failed to implement and maintain procedures for the review of purchase invoices, to determine that items or services

had been satisfactorily supplied, funds were available to cover payment, and invoices were in order and for the contracted amounts.

- The Former Superintendent allegedly failed to account for various District bank accounts and cash collected by school employees and student treasurers in accordance with USFR.
- According to the USDA representative interviewed by the Receiver, the Former Superintendent allegedly submitted questionable financial information to a government agency while attempting to renegotiate District debt.

Former Superintendent Eugene Thomas was employed by the District from August 3, 2005 through June 30, 2007. A formal investigation of Mr. Thomas is being performed by the Mohave County Attorney's Investigative Unit.

While the Receiver noted instances of the Former Superintendent's gross mismanagement of the District resources as detailed herein, the Receiver was not engaged to perform a separate fraud investigation. As such, the scope of the Receiver's work relates to noncompliance pursuant to District policies and procedures and the gross mismanagement of District resources that resulted in the District being placed into receivership.

As evidence of Mr. Thomas' gross mismanagement of the District's finances, when he left the District's employment in June 2007, the following obligations were present that did not exist upon his hiring in August 2005:

- The District was in debt to J. T. Purvis, an Arizona corporation, d/b/a Jebco Building Systems (hereinafter "Jebco"), for more than \$1.5 million for the construction costs associated with the junior high and administrative buildings, neither of which was needed. As of the date of this Report, neither building is being used by the District. The Receiver is negotiating with the Hualapai Tribe and possibly other agencies to sell or lease both of these facilities to ease the District's cash flow crisis.
- A substantial amount of money owed on a bond the Governing Board understood was to be used to pay Jebco to construct the junior high and administrative buildings appears to have been used for other purposes, some of which were absolutely unnecessary for the education process. There are examples of waste of District resources related to the expenditure of bond proceeds discussed in the *Construction Projects* section of this Report.

- The District was months in arrears on the USDA loan for MMHS.
- A substantial amount of vendor payments were months behind and were fast accruing additional debt for the District.

The District's approximate total debt to date is as follows (rounded):

• Construction debt owed to Jebco	\$1,510,000
• Loan from USDA for MMHS ⁴	2,200,000
• Bond obligation	950,000
• Various past-due vendor debt	528,000
• Balance on line of credit	<u>515,000</u>
 Total estimated debt ⁵	 <u>\$5,703,000</u>

In addition to the above examples of financial mismanagement, based on the Receiver's analysis, staffing levels were more than twice what was needed to run the District. The significant past mismanagement left the District in a dire financial position. While the Governing Board bears some responsibility for the District's current financial status, the majority of these problems are due to Mr. Thomas' gross financial mismanagement, which allegedly was not reported to the Governing Board in accordance with policy.

Current Superintendent Steven Condict is in the process of correcting prior financial mismanagement while struggling to retain teachers and maintain the quality of education. Simply put, the Current Superintendent, acknowledging the noncompliance issues that still exist, is striving to keep the District operational on a day-to-day basis. He is to be commended for cutting significant costs through reduced staffing, operating costs, and other budgetary items after taking control of the District in late July 2007. It has been and will continue to be an enormous challenge during the current fiscal year and future years to reorganize past fiscal and educational matters that resulted in administrative and financial shambles for the District.

⁴ This debt was incurred prior to Mr. Thomas' employment by the District. However, the District fell months behind in its payments to the USDA during Mr. Thomas' tenure at PSUSD.

⁵ It should be noted that the above debt does not include the District's overexpenditure of approximately \$1.5 million.

C. Administrative Staff

The Receiver team has met with various members of the Administrative Staff on a regular basis to review procedures and to establish internal controls. The primary District employees are as follows:

- *Superintendent – Steven Condict.* Mr. Condict has been employed by the District since late July 2007. He oversees the District and all employees, and is acting principal for both schools. In addition, he provides disciplinary guidance.
- *Head Teacher for PSES – Debra Zapata.* Ms. Zapata has been with PSUSD since 1997 and oversees all student issues at the elementary school.
- *Dean of Students – Pete Brown.* Mr. Brown is the Dean of Students at MMHS. He has been a District employee since August 1994. His responsibilities include disciplinary actions along with other decisions in the Superintendent's absence.
- *Head of Facilities, Maintenance and Custodial Services – Raynard Uqualla.* Mr. Uqualla oversees electrical, plumbing and maintenance at both PSES and MMHS. He has been employed by the District since 2003.
- *Head of Transportation Services – Jerry Stone.* Mr. Stone oversees the District's vehicle maintenance, bus routes, and all busing operations. He has been employed by the District since 2006.
- *Financial Consultant & Business Manager – Vickie Logan.* Ms. Logan has been associated with the District for approximately 11 years. She oversees financial operations, including accounts payable, accounts receivable, payroll, budgets and state reporting. She previously worked as an outside consultant and was terminated by the Former Superintendent. She was rehired in July 2007.
- *Administrative Assistant – Zibby Campa.* Ms. Campa has been employed by the District since 2006. She oversees all District Governing Board information, and District correspondence. In addition, she assists with payroll, human resources, and attendance for MMHS.
- *Principals* – There are no principals employed by the District. Steve Condict acts as superintendent and principal of both schools. Under Mr. Thomas' administration, each of the two schools had principals and significantly larger

staffs. Some of these positions were excessive for the District. It was appropriate for Mr. Condict to eliminate both principals and some teaching positions.

The Receiver and Current Superintendent continue to assess the duties and responsibilities of various positions in the District and will reassign personnel in a manner that best suits the needs of the District, in accordance with A.R.S. § 15-103(F)(3).

It should be noted that the District office personnel have been extremely supportive and cooperative of the receivership process.

V. FINANCIAL ASSESSMENT

The assessment of the District includes financial matters and other issues that have resulted from past gross financial mismanagement.

A. Historical Budget Overexpenditures

In FY 2006-2007, the District overspent the prior year maintenance and operations ("M&O") budget as presented below. Table 3 presents a summary of the District's overexpenditures for the past five years.

TABLE 3
Peach Springs Unified School District #8
Historical Budget to Actual Results

Fiscal Year	Budget (Overexpenditures) / Underexpenditures		
	Unrestricted Capital	M&O	Total
2002 - 2003	27,599	(5,668)	21,931
2003 - 2004	0	(18,834)	(18,834)
2004 - 2005	44,828	105,521	150,349
2005 - 2006	49,971	159,422	209,393
2006 -2007	90,794	(1,493,974)	(1,403,180)
2006-2007 M&O Overexpenditure divided by two-year correction period			
		2	
Estimated annual correction amount		(\$746,987)	

The District overexpended its M&O budget in the past fiscal year by almost \$1.5 million. Pursuant to the Consent Order and Agreement, the District must correct its prior year overexpenditures over a two-year period commencing with FY 2007-2008, pursuant to A.R.S. § 15-915. Annual reductions to the District's operating budget as a result of the correction will be approximately \$747,000, or approximately 47 percent of the FY 2007-2008 adopted general budget limit before the reduction of approximately \$1.6 million. The District cannot absorb this amount of revenue reduction in its budget.

B. Gross Mismanagement and Corrective Actions

Gross mismanagement is defined by A.R.S. § 15-103(T)(2) as, "the school district's officers or employees committed or engaged in gross incompetence or systemic and egregious mismanagement of the school district's finances or financial records." A sample of the Receiver's findings that demonstrate the severe lack of controls and gross mismanagement are summarized in this section.

1. Accounting Internal Controls

- *Lack of Internal Controls at District Office:* The Receiver noted there have been very few, if any, fiscal internal controls at the District office in terms of proper protocol, coding and approval when paying bills. The Receiver noted that the majority of pay application cover pages were incomplete, miscoded, or missing proper approval. In the past, the Former Superintendent allegedly would override the accounting staff's recommendations and account coding for payment. Many bills originally presented to the Receiver did not contain proper back-up documentation or authorization.

☞ Corrective Action: Proper procedures have been established for effective budgetary controls over requisitions and purchasing processing, including the coding of vouchers along with the proper approval date and signatures. All vouchers are now reviewed by the Receiver to ensure the correct account coding, correct backup documentation, payment amount, and proper authorization.

- *Failure to Follow Policy Regarding Preparing and Approving Purchase Requisitions and Request for Payment:* There are many instances of failure to follow proper purchase requisitions and payment procedures. In fact, the current business manager alleges most transactions that occurred in FY 2006-2007 were not properly accounted for, including following any type of purchase requisitions, approval, or payment coding. The Receiver has not been able to confirm most of the disbursements that occurred in FY 2006-2007. The records are not present in the District offices, as they have allegedly been lost, misplaced or destroyed. In addition, it should be noted the Former Superintendent's signature stamp was allegedly not kept in a secure location.

☞ Corrective Action: Proper procedures for effective budgetary controls have been established for requisitions and purchasing processing, including the coding of vouchers along with the proper approval date and

signatures. All vouchers are now reviewed by the Receiver to ensure the correct account coding, correct backup documentation, payment amount, and proper authorization.

☞ Corrective Action: A policy wherein all cash disbursements are approved by the Receiver was established. There are no longer unsecure signature stamps in the District office.

- *Lack of Segregation of Duties.* The Receiver understands that past administrative personnel had no segregation of duties, resulting in chaos and lack of accountability at the District office.

☞ Corrective Action: The District now has adequate accounting oversight, although past transactions will most likely never be reconciled.

- *Failure to Reconcile District Bank Accounts and Account for Funds:* When the Receiver was appointed in August 2007, the student activities, auxiliary, and athletic revolving bank accounts had been seized by the Mohave County Attorney's office. Per the Receiver's review of these accounts, it appears there was no oversight or understanding of how these funds were to be used. Most notably, an employee was able to take a check from the District's Insurance Trust bank account and place a \$20,000 down payment on a vehicle. Another instance of misuse of District bank accounts includes salaries and termination pay being paid out of student activities bank accounts. This is a blatant misuse of these accounts for which absolutely no internal controls were in place. In addition, the same persons who were responsible for accounting for the transactions in these bank accounts were also responsible for reconciling them.

☞ Corrective Action: The Receiver has reestablished District bank accounts with limited access and use. All expenditures must be approved by the Receiver and reconciled by District personnel. It should be noted the Mohave County Attorney is investigating various former District personnel for any alleged fraudulent transactions.

- *Mismanagement of District Budget:* The Receiver discovered significant examples of budgetary mismanagement. Please refer to the *Waste of District Resources* section of this Report for further details and examples regarding the gross negligence, egregious lack of oversight, and excessive expenditures noted by the Receiver.

- ☞ Corrective Action: The Receiver has attempted to and will continue to identify and remedy any waste of resources.
- *Lack of Performing Physical Inventory:* There is no documentation that physical inventory has been performed at any District location since at least 2004, if not longer.
 - ☞ Corrective Action: The Receiver is currently working with Administrative Staff to perform and complete a physical inventory.
- *Lack of Accounting for General Fixed Assets:* In addition to not performing a physical inventory, there was no accounting for, or proper tracking of, general fixed assets for FY 2006-2007. It should be noted that the District has acquired millions of dollars in new assets related to the construction of the junior high school and administrative building. There was allegedly no formal fixed asset accounting for any of these fixed assets.
 - ☞ Corrective Action: The Receiver is currently working with Administrative Staff to perform and complete the accounting for general fixed assets.
- *Violation of Procurement Rules:* The Receiver is aware of instances where procurement rules were not followed. The District's current Administrative Staff is knowledgeable of procurement rules and, based on information provided to the Receiver, allegedly the Former Superintendent usurped efforts to follow proper procurement rules.
- *Construction of Junior High School and Administrative Offices:* The District advised the Receiver that in July or August 2006, the Former Superintendent presented information to the Governing Board asking for their approval to construct a new junior high school and administrative building. The alleged logic behind this endeavor, given the fact that a relatively new high school facility contained 49,000 square feet (or approximately 1,000 square feet per student), was to separate the junior high school students due to violence and other disciplinary problems at the high school. In addition, the Former Superintendent allegedly felt it was necessary to have additional administrative space. According to Jebco, the contractor who ultimately completed the project, another contractor's proposal was originally accepted to build the junior high school and administrative buildings. The other contractor's proposal was for a lower price, but they could not complete the project within the eight month time frame allegedly required by the Former Superintendent. Jebco was then asked to submit

a proposal which was ultimately accepted via Governing Board approval at a Board meeting. Based on information provided to the Receiver, proper procurement rules were not followed. The Receiver could not locate sufficient evidence of proper procurement related to the bidding process, as required by USFR.

The total cost of the junior high school and District administrative buildings was approximately \$2 million, of which approximately \$1.51 million is owed in principal and interest to Jebco as of the date of this Report. It should be noted that only \$353,000 of Bond proceeds were used to pay Jebco.

The past-due debt related to the construction of these buildings has placed a significant burden on the District's viability, as further discussed in the *Construction Projects* section of this Report.

In addition, the Receiver is aware of other instances where competitive purchasing requirements were allegedly not followed and were therefore in violation of USFR.

☞ Corrective Action: The Receiver has discussed USFR requirements and past violations with District personnel. Current procurement procedures include the determination of bids or requests for proposals, or the request of oral or written price quotations that may result in purchases above the competitive purchasing thresholds. The District now obtains price quotations from at least three vendors for purchases. If the District cannot obtain three price quotations, it now documents the vendors contacted and their reasons for not providing quotations. The Receiver reviews all requests for proposals and approves any encumbrances of District resources.

- *Lack of Policies and Procedures Related to District Credit Cards and Vehicles:* The Receiver was advised that District vehicles and credit cards were being utilized for personal purposes, allegedly by District personnel, during the Former Superintendent's tenure. The Receiver was unable to locate the original receipts related to the majority of the credit card transactions and District personnel could not provide the original statements showing when the charges occurred. Based on information the Receiver could locate, it appears there was significant misuse and unaccounted-for transactions for which the items could not be located or accounted for in the District's accounting system.

In addition, several vehicles were purchased from Bond proceeds for the District for which no apparent business use was documented.

☞ Corrective Action: The Receiver has secured all credit cards from all District personnel. Only one District vehicle is currently used by the Current Superintendent and is in accordance with his employment contract.

- *Lack of District Employee Fingerprinting:* The Receiver is aware that some employees at the District have not been fingerprinted.

☞ Corrective Action: The Receiver is working with the District's Administrative staff to ensure all fingerprinting is completed for all District employees.

- *Improper Safekeeping of Employee Files and Lack of Timekeeping Procedures:* The Receiver is aware of some employee files that were misfiled or removed from the District office. In addition, there was insufficient approval of employee time records.

☞ Corrective Action: Internal controls are in place for the safekeeping of District employee files and the Receiver has been advised that the proper authorization is in place for approval of District employee timecards.

- *Failure to Properly Account for Retirement Funds:* Based on information provided to the Receiver, it appears retirement funds may have been improperly submitted in the past. The Receiver has received mixed responses when attempting to reconcile various accounts and to date, this issue remains unresolved.

☞ Corrective Action: The Receiver is investigating the cause for any alleged misappropriations of funds or lack of proper accounting for these funds and will provide further details in a subsequent Receiver report.

- *Failure to Properly Account for Federal Payroll Taxes:* Based on recent information provided to the Receiver, there is a discrepancy in the amount of federal payroll taxes remitted to the Internal Revenue Service compared to taxes withheld from employees.

☞ Corrective Action: The Receiver is investigating the cause for any alleged payroll tax mistakes or failure to submit payroll taxes to the proper authorities and will provide further details in a subsequent Receiver report.

- *Failure to Maintain Student Attendance Records:* The Receiver is aware the District did not maintain accurate records to support its student membership and attendance. The District's records do not match ADE reports and the District has been unable to provide documentation to support the membership and absence information was properly submitted to ADE.

☞ Corrective Action: The Receiver has worked with the District to ensure that the District is receiving the correct amount of state and local funding by recording student attendance and retaining proper documentation to support student enrollment and attendance.

2. Facilities Internal Controls

- *Master Keys Missing from District Office and Unusable Lock System:* Based on information provided to the Receiver, the Former Superintendent purchased an elaborate hotel-like keyless lock system, including master keys for Administrative staff. Unfortunately, this system is inoperable at times and is difficult for the staff to use and track. The Receiver has been advised that several master keys have been missing for quite some time, causing a security threat to District property. Given the remote location of the school facilities, this was a poor choice of locking systems, because it requires highly technical consultants to program or make changes. Conventional locks that could have been changed by a locksmith would have better served the District's needs.

☞ Corrective Action: Due to financial constraints, the Receiver is investigating the most cost efficient process to either repair the current system or rekey the District facilities. Either option will be very costly to the District.

- *Lack of Security in the Classrooms and on District Property:* It is the Receiver's understanding from conversations held with District personnel several expensive computers have been missing from the District due to the lack of controls and security. The Receiver noted on several occasions doors remain unlocked past school hours at PSES, allowing intruders to enter for possible theft.

- ☞ Corrective Action: The Receiver has been advised District property has been properly secured, especially for those facilities that house expensive equipment.
- *Personal Use of District Vehicles:* The Receiver is aware the vehicle used by the Former Superintendent, as well as other District vehicles, may have been used for extensive personal activities as noted by District office personnel.
 - ☞ Corrective Action: To the Receiver's knowledge, no District vehicles are currently being used for personal reasons. In addition, unnecessary District vehicles have been sold or are currently for sale.
- *Lack of Rental Agreement for Use of District Housing:* The District maintains housing on District property for District employees. In the past there have been no written rental agreements with the employees and the accounting for such housing has been inconsistent.
 - ☞ Corrective Action: The District and the Receiver are in the process of drafting new lease agreements for those employees residing in District housing.

3. Environmental and Safety Controls

The Superintendent has an obligation to protect the safety of all students, employees, visitors, and others present on District property or at school-sponsored events. The Receiver asked and was not made aware of any imminent environmental and safety issues that would jeopardize the safety of District students, employees, and others visiting campus facilities.

C. Facilities

Based on discussions with the Current Superintendent, there are no significant facility deterioration issues. Admittedly, the elementary school is quite old and dated, and is in need of significant repairs (as outlined in the *Unknown Future Costs* section of this Report). However, to the best of the Receiver's knowledge, there are no imminent repair issues that would result in closing the facility.

The junior/senior high school, constructed in 2001, needs repairs to the heating and cooling system and gymnasium flooring. At this time, the funds are not available to incur significant repairs unless vital to the continued operations of the facility.

D. Waste of District Resources

The Receiver uncovered numerous instances of the Former Superintendent's alleged waste in managing the resources of the District. Included in this section are just some of the most egregious examples of waste that impact the current and future fiscal budgets of the District. There are many more examples of waste not enumerated herein for purposes of brevity. It should be noted that in most instances, there is no documentation or accounting for these purchases and it is unknown whether items were Board-approved when necessary or how such assets were accounted for in the District's accounting system.

- The construction of the unnecessary 11,000 square foot junior high school and administrative buildings for approximately \$2 million is subsequently discussed in the *Construction Projects* section of this Report.
- Playground equipment with a cost of approximately \$171,000 was purchased for PSES, including \$47,000 of fill dirt. It appears this equipment was purchased with bond proceeds intended to be used for the construction of the junior high school and administration building. There is no evidence this purchase went through a USFR procurement process.
- Grant funds were allegedly not properly utilized during FY 2006-2007. The Receiver is currently researching this allegation and will provide further details in an updated report.
- Approximately \$15,600 of electronic "Smart Boards" and projectors were purchased for MMHS with Bond proceeds. While a nice feature for the teachers, it is the Receiver's opinion the funds could have been spent on more basic necessities, such as textbooks and other educational materials, or for the payment of the District's existing obligations. The documentation for this transaction could not be located.
- Approximately \$91,000 of computer equipment, including huge extravagant computer monitors for District personnel, was purchased during FY 2006-2007. Although most have now been accounted for, approximately nine laptops are missing from District offices, based on information provided to the Receiver.
- Approximately \$64,000 was allegedly spent on the keyless lock system as discussed earlier in this Report. The maintenance on this system is expensive and many keys either do not work or are unaccounted for at the District office.

- Excess staff costing over \$1 million in annual compensation was eliminated by the Current Superintendent. Based on information provided to the Receiver, the Former Superintendent allegedly hired and overpaid many unnecessary staff members and subsequently gave bonuses or raises to favored employees.
- Excess copiers were leased for the District by Mr. Damon Clark (the superintendent who preceded Mr. Thomas). To date, three of the five copiers are in the process of being returned as they are unnecessary District assets. The total cost to return these unneeded copiers will cost the District tens of thousands of dollars.
- Nine mobile homes to be used for teacher housing were purchased for an estimated cost of \$366,000.
- Two trailers were purchased for approximately \$39,000 to house delinquent students, according to information provided to the Receiver. It is unclear what the business purpose was for purchasing these assets, particularly when the 49,000 square foot high school building is underutilized and the Jebco buildings were being constructed and now sit empty. One trailer has been sold and the other is currently for sale by the District.
- Three vehicles with a cost exceeding \$31,000 were purchased for unknown and presumably, unnecessary business purposes. One has been sold and others are currently for sale by the District.
- Alleged personal use of District vehicles and gas were noted.

These examples of gross financial mismanagement and waste of resources are a contributing factor to the dire fiscal crisis the District faces.

E. Construction Projects

1. Music Mountain High School

In 1998, the District entered into an agreement to construct MMHS at a cost of approximately \$3,000,000. The 49,000 square foot facility currently houses the junior high and high school population of 56 students. The USDA financed this project with terms that included monthly payments of \$19,410 beginning in December 1999 at an annual rate of 4.75%. The note has a maturity date of December 23, 2020, and is collateralized by all gross income and receipts.

Monthly payments remained current until November 2006, based on information provided to the Receiver. The November and December 2006 payments were made in January 2007. However, there have been no payments made since January 2007 for the prior year payments due. The Former Superintendent, while not making payments on this loan, was spending the District's money on some of the items noted under the *Waste of District Resources* section of this Report.

Based on information provided by USDA to the Receiver, Mr. Thomas met with the USDA director and allegedly provided to this person questionable PSUSD financial information as part of Mr. Thomas' efforts to possibly refinance the USDA debt because the payments had fallen behind. This was never accomplished by the time the Former Superintendent resigned and the District was placed into receivership.

As of the date of this Report, the principal balance owed to the USDA is approximately \$2.2 million plus accrued interest of approximately \$70,000.

The Receiver met with a USDA director in November 2007. Based on this meeting and subsequent conversations with the USDA, the District has the ability to refinance this debt and will pursue this option pending the continued operations of the District.

2. Junior High School and Administrative Offices

In November 2004, the voters of PSUSD passed a bond referendum for the issuance and selling of Class B bonds in the amount of \$2,350,000 (the "Bonds"). It was anticipated the Bonds were to be issued over a period of four years, with the repayment to be made from a levy of ad valorem property taxes on all taxable property within the District. The proceeds of the Bonds were intended to be used for the following:⁶

- Construction of school buildings.
- Renovating school buildings.
- Improving school grounds, including adjacent ways.
- Providing all utilities and other capital items necessary for construction and renovations of school buildings and for improving school grounds.

⁶ Language from the Publicity/Informational Pamphlet for the Bond Election.

- Funding a debt service reserve and other capital items necessary for the construction and renovation of funds for the bonds.
- Paying all architectural, design, engineering, project and construction management and other costs for the purposes set forth above.
- Purchasing pupil transportation vehicles.
- Paying all legal, financial and other costs in connection with issuance of the bonds.

According to the Receiver's various interviews with Governing Board members, it was their understanding the proceeds of the Bonds would be used to construct the new junior high and administrative buildings. They allege that Mr. Thomas did not utilize these funds in accordance with their understanding.

During 2006, two buildings adjacent to MMHS were constructed by Jebco (the "Jebco Buildings"). Mr. Thomas entered into an agreement to build the two structures at a cost of \$1,965,346,⁷ with the total purchase price due and payable within 13 months.⁸ This time frame supports the Governing Board members' understanding the Bonds would be used to pay for the buildings' construction, as there would have been no other way for the District to meet a 13-month payment schedule for the Jebco Buildings.

Allegedly, it was the Former Superintendent's desire to segregate Grades 7 and 8 from the high school students that led to the decision to construct the building. As earlier discussed, a bond referendum was passed for \$2.3 million, the funds of which were intended to be used to pay for the Jebco Buildings' construction. Mr. Thomas allegedly provided the Governing Board with a detailed accounting of how the \$2.3 million in bond proceeds were to be spent, and it was the Board's understanding the bond proceeds would be used to fund the construction of the Jebco Buildings.

Based on discussions with Jebco and their legal counsel, the Former Superintendent, Governing Board members, and District staff consistently toured the facilities while under construction. While the subcontractors questioned the need for additional space, given the enormous high school right next door, the various visitors allegedly never questioned any aspect of the construction. In addition, Governing Board members claim

⁷ Per contract provided to Receiver by Jebco, inclusive of change orders.

⁸ In a letter to Jebco from Mr. Thomas, dated December 27, 2006, Mr. Thomas noted that final payment for the construction of the Jebco Buildings would be made on or before September 30, 2007, which is 13 months after the contract date of August 30, 2006.

they have no recollection of the rationale for building these structures, stating only that they relied on the Former Superintendent's advice for encumbering the District financially. Based on interviews conducted with Jebco staff and contractors, Mr. Thomas signed off on all change orders, "on the spot," including one for \$97,000, without proper Governing Board approval.

When the construction was completed, Jebco was paid only \$627,000 of the total contract, with only \$353,000 paid out of the bond proceeds. The remaining amount paid to Jebco, \$274,000, was coded to and paid out of the District's capital budget.

Bond Proceeds

Examples of Bond proceeds allegedly intended for the construction of the Jebco Buildings (per the Governing Board's expectations) used for other items include the following:

- Six Smart Boards and projectors for high school classrooms - \$15,600.
- 2005 Ford Freestar Truck - \$15,000.
- 2004 Chevrolet Cavalier - \$11,000.
- Hyundai - \$5,400.
- Elementary playground equipment - \$171,000 (including approximately \$47,000 for dirt).
- Seven single wide and two double wide homes, presumably for teacher housing – approximate cost \$366,000.
- Outside Contractor J & B Reaves, LLC, for bid analysis, travel costs, etc. - \$77,000.
- Administrator salaries, including \$35,000 to Mr. Eugene Thomas, \$12,100 to Sandra Thorne, Business Manager, and over \$24,000 in other District salaries were paid out of the bond proceeds.

The balance of approximately \$1,510,000 of construction costs (principal of \$1,338,000 and accrued interest of approximately \$173,000) has not been paid to Jebco, and the District does not have the resources to pay this contractor, given its current financial

condition. The Receiver is continuing its analysis of the use of the Bond proceeds and will provide further information in an updated Report.

Based on the Receiver's ongoing analysis of construction expenses, it is concluded that the District grossly mismanaged the construction project and accounting process.

Failure to Reconcile Construction Projects

It appears there was no overall reconciliation which compared actual expenditures to those budgeted (if any) for the construction project. The recordkeeping for this project is scant, and it is the Receiver's opinion the District failed to properly reconcile and maintain proper controls over the construction accounting process. Following are some examples of mismanagement of the project:

- Payments made to vendors, in some instances, were not properly coded to the correct account and there was no monitoring or controls in place to detect such errors.
- Recordkeeping and paperwork was not consistently maintained in an organized manner.
- Bond funding that was intended to satisfy invoices of the construction of the junior high school and administrative building was utilized to pay other vendors.
- The District's resources were spent on nonessential items or items not intended to be purchased with Bond proceeds, per interviews with Governing Board members.

It is the Receiver's opinion this project was an unnecessary waste of District resources given the elaborate and spacious facilities at MMHS. Further due diligence should have been performed to evaluate the need to separate the junior high school students from the high school students, given the fact there is approximately 1,000 square feet of space for each student currently enrolled at MMHS. The debt associated with this project has placed an enormous burden on the District and its ability to continue to provide education.

VI. FINANCIAL IMPROVEMENT PLAN

This section details the Receiver's financial improvement plan. Included in this plan are the action items detailed previously in this Report, noting the corrective actions the Receiver has taken on operational matters.

A. Cost Savings Implementation

The Current Superintendent and Receiver, working in conjunction, have implemented a number of cost savings measures intended to improve the District's financial position and bring it closer to meeting its operating budget. Following is a list of these items:

- Staffing levels have been significantly reduced. As of December 31, 2007, the District has only 27 employees, compared to 64 employees at December 31, 2006. Gross wages have been reduced from over \$2,100,000 as of June 30, 2007, to approximately \$1,000,000 currently.

It should be noted the Hualapai Indian Tribe generously donated \$280,000 exclusively to assist in salary costs for the current fiscal year.

- More stringent internal controls and proper oversight of the payment process have eliminated waste.
- Personal use of District vehicles, with the exception of the Current Superintendent vehicle provided as part of his employment contract, has been eliminated.
- Non-operating assets have been sold and others are currently for sale. Such assets include cars and trailers.
- Historically, the District has not followed proper procurement procedures. Internal controls have been implemented to better control the expenditure of District funds.
- Newly hired employees are receiving starting salaries commensurate with current District employees with the same years of work experience. This provides for an equitable pay rate for both existing and new employees.
- Grant funds will be fully utilized for the proper purposes.

- The USDA loan will be renegotiated to alleviate the drain on the District's resources.
- Expenditures are being coded to the proper accounts, which provides for accurate expenditure tracking and budgeting.
- The Current Superintendent and Business Manager are keenly aware of the budgetary items that are within their control.

Table 4 shows the District's FY 2007-2008 expenditure budget compared with the FY 2006-2007 AFR.

TABLE 4
Peach Springs Unified School District #8
Comparison of Expenditures

Expenditures	FY 2006-2007 AFR	FY 2007-2008 Budget	Pctg Decrease
Regular education			
1000 Classroom instruction	\$1,176,181	\$617,720	
2000 Support services	1,676,978	615,603	
Total regular education	<u>\$2,853,159</u>	<u>\$1,233,323</u>	
Special education			
1000 Classroom instruction	\$210,729	\$145,180	
2000 Support services	272,435	1,000	
Total special education	<u>\$483,164</u>	<u>\$146,180</u>	
Total regular and special education expenditures	\$3,336,323	\$1,379,503	
Student count [1]	239	200	
Regular & Special Ed expenditure per student	<u>\$13,960</u>	<u>\$6,897</u>	-50.6%
300 Special Ed Disability Title 8	N/A	\$27,750	
Student count [1]	239	200	
Special Educ Disability Title 8 expenditure per student	<u>N/A</u>	<u>\$139</u>	
400 Pupil transportation	\$160,263	\$128,000	
Student count [1]	239	200	
Pupil transportation expenditure per student	<u>\$670</u>	<u>\$640</u>	-4.4%
Special K-3 Override	\$517	\$63,358	
Student count [1]	239	200	
Special K-3 Override per student	<u>\$2</u>	<u>\$317</u>	
Total Expenditures	\$3,497,103	\$1,598,611	
Student count [1]	<u>239</u>	<u>200</u>	-16.3%
Total M&O expenditure per student	<u>\$14,632</u>	<u>\$7,993</u>	-45.4%

Note

[1] For FY 2006-2007, enrollment numbers submitted for Impact Aid were used because ADM and attendance records were not properly kept. For FY 2007-2008, student enrollment as of 12-31-2007 is used.

Based on the above analysis, the District has already taken significant cost-saving measures to correct the prior year overexpenditures. Enrollment between the years is down 16.3 percent, while M&O expenditures have decreased 45.4 percent. This is illustrative of the waste in FY 2006-2007 by the Former Superintendent. It is important

to note that the decline in enrollment will hamper future funding and the District's ability to further implement reductions in its M&O budget.

Other cost-saving measures that will be implemented include the following:

- The Receiver is in the process of negotiating the sale, lease or lease-purchase of the newly-constructed junior high school and administrative buildings. The buildings were recently appraised, and it is anticipated some resolution to the use of the empty space and substantial debt owed to the contractor will be resolved.
- Depending on the outcome of keeping MMHS operational, the Receiver will renegotiate the loan with USDA. The Receiver has met with USDA representatives and it appears the loan may be re-amortized over an extended pay back period with favorable rates.
- The possibility of additional bonding capacity will be evaluated by the Receiver. As previously noted, in November 2004, taxpayers approved bonding capacity up to \$2.35 million. As of the date of this Report, there is approximately \$600,000 that may be available to the District should it remain viable and operational. However, the use of additional bond proceeds would be restricted pursuant to the bond issuance memorandum.
- The Receiver has been working with the Tribe for possible sources of funding and ideas to promote improved enrollment, attendance, discipline, and educational performance for all PSUSD students. The Hualapai Tribe graciously donated \$280,000 to the District in November 2007 exclusively to be used for salary costs.
- The Receiver is working with District personnel to renegotiate past due vendor payments and the possible abatement of late fees and other interest costs.
- Leases on copiers will be renegotiated in an effort to reduce or eliminate such payments. As previously noted, three of the five copiers are in the process of being returned to reduce future lease payments.
- Equipment will be properly maintained to avoid the need for costly repairs.
- Efficiency of certain administrative positions relative to the salary levels paid for those positions will be evaluated to ensure the District is receiving the maximum benefit.

- The Receiver will continue to work with the Current Superintendent and Business Manager for consideration of other cost-saving measures.

B. Attempt to Raise Revenues Through Tax Levy Increases

Based on information provided to the Receiver, the Mohave County School Superintendent ("CSS") derived an initial primary property tax rate of 8.4870 (per \$100 of assessed value) pursuant to his duties under A.R.S. §15-991 and reviewing the 2007-2008 adopted budget as submitted by PSUSD. The CSS estimated the 8.4870 primary rate would be required to assist in absorbing the overexpenditure occurred in FY 2006-2007 and would adequately maintain the adopted budget. However, the primary tax rate was instead set at 4.000 for PSUSD.

The Receiver was also made aware the Mohave County Attorney researched the legal authority to levy a higher primary property tax rate, even though the budget that was adopted by PSUSD listed an estimated primary property tax rate of 4.000. It was the Mohave County Attorney's opinion the Mohave County Board of Supervisors ("MCBOS") has the legal authority to levy the higher primary rate even after the initial primary rate was listed pursuant to the District's adopted budget.

Based on the District's past gross financial management, and the significant debt immediately payable, the Receiver requested the MCBOS to levy the higher primary rate as previously recommended by the CSS on November 15, 2007. Unfortunately, the MCBOS voted to postpone the decision to raise the primary tax rate.

C. Unknown Future Costs

There are many unknown costs that will possibly impact the FY 2007-2008 budget, including, but not limited, to the following:

- Maintenance and upkeep costs for Peach Springs Elementary School

According to the Current Superintendent, the kitchen facilities and heating and air conditioning units need repair. The estimated cost is approximately \$40,000.

- Utilities and upkeep costs for Music Mountain Junior High and High School

Based on information provided to the Receiver, the gymnasium flooring needs repairs due to lack of proper maintenance. The future costs are unknown at this time.

- Legal ramifications of past-due contract amounts to Jebco

The Receiver has been in contact with the contractor and their attorney to attempt to resolve the \$1.5 million past-due amount owed on this construction project. If an immediate resolution is not made, the contractor will most likely file a claim on the District, possibly including Governing Board members, which will result in significant legal fees and other financial issues.

- USDA loan refinancing

The Receiver has been in contact with the USDA regarding the possibility of refinancing this loan and catching up on past due amounts. The future outlay of cash for any refinancing loans is unknown at this time.

- Past due vendor payments

The fact that previous vendors have not been paid significantly hampers the ability for the District to obtain services and vendors at competitive prices. The remote location of the District and the uncertainty of payment prevent vendors from wanting to work for the District or respond to bids.

- Future growth or further decline in student counts

The District's enrollment has declined from previous years. The District will need additional support from the community in sending their children to PSUSD versus other schools. The Receiver has been in contact with the Tribe and its legal council to strategize the best approach to increase enrollment, attendance, and performance in the District. It is unknown the extent to which the District will continue to grow or decline in the future.

- Period to absorb revenue reductions for prior year overexpenditures

As will be discussed in the *Receiver's Recommendations* section, the Receiver intends to request a longer period over which the District must make its revenue correction for past budget overexpenditures. If this extension or another form of relief is not granted, the District will not meet its budget in FY 2007-2008 and FY 2008-2009, and could possibly have to close down the schools.

- Cash flow shortage

The District has requested and has received an advance of monies in the form of state aid. Although this advance assisted in meeting payroll and other costs to keep the District operational, it is feared the District may face a cash shortfall in the spring of 2008.

- General fixed asset accounting not completed

During FY 2006-2007, the District did no accounting for general fixed assets. This accounting is mandatory, and as such, costs will be incurred to record fixed assets and provide the proper accounting in time for the annual audit. The services of an outside accounting firm may be required to complete this in time for the annual audit.

As the last point above indicates, the Receiver and District administration continue to uncover matters that impact the current budget. It is possible there are additional matters not yet discovered that could negatively impact the financial assessment of the District. The Receiver will update the SBE in its next report regarding the outcome of these unknown items and the extent to which they will impact the FY 2007-2008 budget, as well as any newly discovered items.

VII. RECEIVER'S RECOMMENDATIONS

The Receiver has recommendations for the SBE in areas of addressing the Former Superintendent's gross mismanagement of the District's financial matters, the operations of the Governing Board, and for the future operations of the District.

A. Former Superintendent

The Receiver feels strongly that, like other licensed or certified professionals, there should be consequences for superintendents whose mismanagement leads a district into receivership. As such, the Receiver recommends the SBE consider the permanent revocation of Mr. Thomas' teaching, principal and superintendent certificates.

It is important to note Mr. Thomas' mismanagement not only resulted in increased debt for the District, but also student enrollment is down because parents did not know if the District would survive financially. The impact of Mr. Thomas' mismanagement will be felt in Peach Springs for many years to come and will compromise the long-term quality and availability of education to this community.

In addition to certification revocation, the Receiver recommends the SBE consider other legal actions against Mr. Thomas, as appropriate and justified under Arizona law. As previously noted, Veriti Consulting was not engaged to perform a separate fraud investigation of Mr. Thomas. However, the Mohave County Attorney's office is conducting a separate investigation of the gross mismanagement that caused the District to be placed into receivership. If any criminal charges are to be brought forth against Mr. Thomas as a result of the Mohave County Attorney's investigation, the Receiver will inform the SBE.

B. Governing Board

The Receiver recommends the Governing Board receive education and training on the proper procedures for conducting Governing Board meetings.

It is also recommended the Governing Board receive education and training on fiscal and budgetary matters, so they can understand the factors that affect the budget with greater clarity.

C. Financial Recovery of Peach Springs Unified School District

There is no easy solution to resolving the past financial mismanagement of Peach Springs Unified School District. The Receiver is presenting for the SBE's consideration five possible outcomes for resolution of the District's prior year overexpenditures.

1. No Change in the District's Overexpenditure Correction Period

No change in the District's overexpenditure correction period would result in the approximately \$1.5 million overexpenditures in FY 2006-2007 being absorbed in the FY 2007-2008 and FY 2008-2009 budgets. This would financially devastate the District and could result in its bankruptcy. It would certainly mean the schools would have to be closed. As such, this is not a viable option if the District is to continue to operate and/or pay its existing debts.

Also, given the declining enrollment, it is unlikely the District would be able to absorb a budget reduction of \$1.5 million.

2. Legislative Extension of Overexpenditure Correction Period

The District, as a minimal form of relief, needs an extension of the time over which it can correct its prior year overexpenditures, as well as flexibility with respect to how much is repaid in a given year.

The Receiver has met with legislative representatives to discuss an extension of the time to correct the overexpenditures. As of the date of this Report, HB2469 has been drafted and is sponsored by Rep. John B. Nelson (R), Rep. Rich Crandall (R), Rep. Sam Crump (R) and Rep. Andrew M. Tobin (R). In addition, there are six co-sponsors—three Republicans and three Democrats. As such, the bill has bipartisan support. This bill, as presently written and if passed, would give the District a grace period of two years with no budget reduction, after which it would have a six-year period over which it would have to correct the past overexpenditures. This legislation is a considerable step in the right direction, in terms of keeping the District funded, so schools can possibly remain open and the District's debts can be paid.

If the legislation passes in its present form, it will be imperative over the next two school years for the District to increase its enrollment, attendance, and performance to ensure there is sufficient budget available to absorb the reductions that would start in FY 2009-2010 and would end in FY 2014-2015.

This would extend the negative impact of Mr. Thomas' tenure at PSUSD to at least the year 2015.

3. Convert PSUSD into a Transportation-Only District

The survivability of the District is contingent upon a number of factors, including:

- The outcome of the pending legislation previously discussed. Without some form of relief from the currently mandated budget corrections, the survivability of the District is doubtful.
- The sale, lease or lease-purchase of the nonoperational buildings is essential to relieve the substantial past-due debt.
- Sufficient cash flow and budget capacity to allow the District to pay its existing debts for its facilities and vendors.
- Increased funding levels based on enrollment and attendance trends.

If the outcomes of one or more of the factors detailed above are not favorable to the District, it is probable Peach Springs will become a transportation-only district. This would mean the students of this District will be transported to another district for their education. It is certainly desirable to keep all education facilities in the town of Peach Springs operating. However, it is possible the budget capacity will not allow for this.

The outcome of the above factors must be known before a decision to turn PSUSD into a transportation-only district can be made.

4. Convert PSUSD into a Charter School District

The Receiver has had preliminary discussions with a charter school in Kingman, Arizona, regarding the possibility of converting PSUSD schools to charter schools under that school's charter. The discussions were very general in nature and the Receiver has not explored the financial aspects of this alternative in detail. Whether this option is selected depends on the amount of legislative relief for the District, as well as attendance and enrollment factors previously discussed. In addition to the various unknown financial factors, other issues of concern to the charter school administrators are enrollment, attendance and reported violence in the PSUSD schools.

5. Bankruptcy

This is certainly the least desirable of the options detailed herein. While the Receiver has conducted preliminary discussions regarding bankruptcy, the Receiver has not sought independent legal counsel to conduct in-depth research on the possibility of declaring bankruptcy. It is possible, given the significant outstanding debt and delinquency on obligations, a debtor could petition to have the District involuntarily placed into bankruptcy.

All other recovery options will be fully exhausted before the issue of voluntary bankruptcy is further contemplated. There are innumerable implications and legal considerations that would have to be researched prior to a definite filing of bankruptcy by PSUSD.

6. Combination of the Above Recommendations

Given the dire financial position of PSUSD created during Mr. Thomas' tenure as superintendent, it is highly likely a combination of the above recommendations will be implemented. The Receiver cannot make any firm recommendations until the outcome of the legislative relief bill is finalized and enacted into law.

The Receiver's most probable expected outcome is some form of legislative relief, disposition of the junior high and administration buildings constructed during Mr. Thomas' tenure, and closure of one or both of the District's schools, which would result in PSUSD becoming a transportation-only district for either K-12 or 7-12.

If the current declining enrollment trends and attendance problems persist, there will be no possibility of keeping the schools operational.

VIII. TIMELINE

Pursuant to A.R.S. § 15-103(F), the Receiver intends to continue working on improving the financial condition of the District. Following is the Receiver's update to the timeline for implementation of the recovery plan detailed in the Receiver's 120-day Report.

January/February 2008

- Lobby legislative representatives on HB2469 for the benefit of the District's financial improvement plan.
- Continue to work with District administration to further identify areas where financial improvement goals can be implemented.
- Work with county and state officials on forecasting the revenue and expense impact associated with turning PSUSD into a transportation-only district.
- Meet and negotiate with creditors to refinance debt.
- Negotiate terms for the sale or lease of unused district facilities with various parties.
- Develop an education program for the community, in conjunction with the Hualapai Tribe, to emphasize to parents the urgency of enrolling their children in PSUSD schools and enforcing regular class attendance.
- Further explore the charter school option for PSUSD.

March 2008

- Continue working with legislative representatives regarding HB2469 to benefit the District's financial improvement plan.
- Continue to work with District administration to further identify areas where financial improvement goals can be implemented.
- Examine contracts with various vendors for appropriateness.
- Continue with the educational program for the community.

April 2008

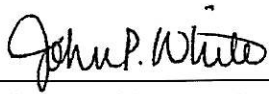
- If not finalized, continue working on legislation to benefit the District's financial improvement plan.
- Continue to work with District administration to further identify areas where financial improvement goals can be implemented.
- Continue with the educational program for the community.
- Submit the Receiver's Quarterly Progress Report to the SBE.

IX. CONCLUSION

The Receiver will update this Report as mandated by A.R.S. § 15-103 with new information and any corrections that are appropriate to the information disclosed in this Report. The information contained herein is correct to the best knowledge and belief of the Receiver as of this date.

The Receiver respectfully reserves the right to amend and modify this Report if any facts, allegations or other information was incorrectly provided to the Receiver.

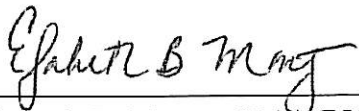
Respectfully submitted,



John P. White, MBA, CPA/ABV, CBA, CFE, ASA, CrFA
Managing Director
Veriti Consulting LLC
Receiver for Peach Springs Unified School District #8

January 22, 2008

Date



Elizabeth B. Monty, CPA/ABV, CVA, CFE, CrFA
Managing Director
Veriti Consulting LLC
Receiver for Peach Springs Unified School District #8

January 22, 2008

Date

APPENDIX

Receiver Statutory Legend

This legend cross references the Receiver's duties pursuant to A.R.S. § 15-103(F) to the various sections of the Report where the scope of work was performed.

A.R.S. § 15-103(F) states that "on appointment, the Receiver shall begin a full review and investigation of the school district's financial affairs and submit to the state board of education a detailed report listing the findings of that investigation that shall include a financial improvement plan and budget that details how the school district will eliminate any continued gross financial mismanagement and achieve financial solvency. The plan shall include a proposed timeline for achieving financial solvency. The receiver shall submit the report within one hundred and twenty days after the Receiver's appointment. The financial improvement plan approved by the state education may authorize the receiver to do any of the following:

1. Override any decisions of the school district's governing board or the school district superintendent both concerning the management and operation of the school district, and initiate and make decisions concerning the management and operation of the school district.

Receiver Report Sections: IV – Administration Assessment

2. Attend any and all meetings of the school district's governing board and administrative staff.

Receiver Report Sections: III – Educational Assessment

IV – Administration Assessment

3. Supervise the day-to-day activities of the school district's staff including reassigning the duties and responsibilities of personnel in a manner that, in the determination of the Receiver, best suits the needs of the school district.

Receiver Report Sections: IV – Administration Assessment

4. Place on extended leave, suspend or terminate for cause the school district's superintendent or chief financial officer, or both. A person terminated pursuant to this paragraph may appeal the Receiver's decision to the state board of education if an appeal is filed with the state board within thirty days of receiving the termination.

Receiver Report Sections: IV – Administration Assessment

5. Authorize pupils to transfer from schools operated by the school district to schools operated by another school district that is not currently in receivership.

Receiver Report Section: At this time, the Receiver has not prevented students from transferring to other districts. The Receiver is aware that students are attending schools in other districts.

6. Appoint a chief educational officer who shall possess the powers and duties of a school district superintendent. A chief educational officer who is appointed pursuant to this paragraph shall hold a valid administrative certificate.

Receiver Report Section: Mr. Steven Condict was hired prior to the appointment of the Receiver. The Receiver believes that Mr. Condict is performing his duties properly and has no desire to replace him.

7. Appoint a chief fiscal officer who shall possess the powers and duties of the school district's chief school business official and any other duties regarding

budgeting, accounting and other financial matters that are assigned to the school district by law.

Receiver Report Section: Ms. Vickie Logan was hired prior to the appointment of the Receiver. The Receiver believes that Ms. Logan is performing her duties properly and has no desire to replace her.

8. Appoint a competent independent public accountant to audit the accounts of the school district.

The Receiver and the District has appointed Ball & McGraw, P.C. to perform the audit for FY 2006-2007.

9. Reorganize the school district's financial accounts, management and budgetary systems to improve the financial responsibility and reduce financial inefficiency within the district.

Receiver Report Sections: V – Financial Assessment

VI – Financial Improvement Plan

10. Establish school district fiscal guidelines and a system of internal controls, including internal administrative controls, with provisions for internal audits.

Receiver Report Sections: V – Financial Assessment

VI – Financial Improvement Plan

11. Cancel or renegotiate any contract, other than contracts of certificated teachers who have been employed by the school district in the capacity of a certificated teacher for more than one year immediately before the date the Receiver was appointed, to which the governing board or the school district is a party, the cancellation or renegotiation of the contract will produce needed economies in the

operation of the district's schools. The Receiver may refuse to reemploy any certificated teacher who has not been employed by the school district for more than the major portion of three consecutive school years as provided in A.R.S. § 15-536.

Receiver Report Sections: IV – Administration Assessment

FY 2007-2008

STATE OF ARIZONA

SCHOOL DISTRICT ANNUAL EXPENDITURE BUDGET
DISTRICTWIDE BUDGET

Revised #1

Version

BY THE GOVERNING BOARD
We hereby certify that the Budget for the School Year 2007-2008 was☐ PROPOSED☒ ADOPTED☒ REVISED

7/7/2007

7/15/2007

12/13/2007

Date

PRESIDENT

CLERK

MEMBER

MEMBER

MEMBER

SIGNED

TITLE

The budget file(s) for FY 2007-2008 sent to the Arizona Department of Education, via the Internet, on
12/13/2007 contain(s) the data for the budget described above.

Superintendent

Business Manager

District Contact Employee: Vickie Logan

Telephone: (928) 789-2202 x101

E-Mail: loganv@psusd.k12.az.us

REVENUES AND PROPERTY TAXATION

(This section is not applicable

et revisions)

1. Total Budgeted Revenues for Fiscal Year 2006-07 \$ 0
2. Estimated Revenues by Source for Fiscal Year 2007-2008 (excluding property taxes)

Local	1000	\$	0
Intermediate	2000	\$	0
State	3000	\$	0
Federal	4000	\$	0
TOTAL		\$	0

3. District Tax Rates for Current and Budget Fiscal Years (A.R.S. §15-903.D.4)

Current Yr. FY 2006-07

Est. Budget Yr. FY 2007-2008

Primary Tax Rate:	.0000	3.6000
Secondary Tax Rates:		
M&O Override:	3.5000	1.4000
K-3 Override:	.0000	.0000
Capital Override:	.0000	.0000
Class A Bonds:	.0000	.0000
Class B Bonds:	.0000	.0000
Total Secondary Tax Rate:	3.5000	1.4000

A. TOTAL AGGREGATE SCHOOL DISTRICT BUDGET LIMIT (A.R.S. §15-905.H)

1. General Budget Limit (from Budget page 7, line 11)	\$	1,598,611
2. Unrestricted Capital Budget Limit (from Budget page 8, line A.17)	\$	378,017
3. Soft Capital Allocation Limit (from Budget page 8, line B.12)	\$	50,917
4. Subtotal (line A.1 + A.2 + A.3)	\$	2,027,545
5. Federal Projects (from Budget page 6, line 16)	\$	1,592,933
6. Total Aggregate School District Budget Limit (line A.4 + A.5)	\$	3,620,478

B. BUDGETED EXPENDITURES

1. Maintenance and Operation (from Budget page 1, line 30)	\$	1,598,611
2. Unrestricted Capital Outlay (from Budget page 4, line 10)	\$	378,017
3. Soft Capital Allocation (from Budget page 4, line 19)	\$	50,917
4. State Board Approval to Budget for Construction, Building, Renovation, or Soft Capital (A.R.S. §15-952.F) (from Budget page 8, line A.13)	\$	0
5. Revenue Control Limit and Capital Outlay Revenue Limit used for Capital Purposes (from Budget page 8, line A.15)	\$	0
6. Total Budget Subject to Budget Limits (line B.1 + B.2 + B.3 - B.4 - B.5)	\$	2,027,545
(This line cannot exceed line A.4)		

Fund 001 (M & C)												
EXPENDITURES	ANNE AND OPERATION FUND											
	No. of Personnel		Salaries 6100	Employee Benefits 6200	MAIL					Totals		% Increase/Decrease
	Current Year	Budget Year			Purchased Services 6300, 6400, 6500	Supplies 6600	Debt Service and Miscellaneous 6800	Current Year 2006-07	Budget Year 2007-2008			
100 Regular Education												
1000 Classroom Instruction												
2000 Support Services												
2100 Students												
2200 Instructional Staff												
2300 General Administration												
2400 School Administration												
2500 Central Services												
2600 Operation & Maintenance of Plant												
2900 Other												
3000 Operation of Noninstructional Services												
610 School-Sponsored Curricular Activities												
620 School-Sponsored Athletics												
630, 700, 800, 900 Other Programs												
Regular Education Subsection Subtotal (Lines 1-12)												
200 Special Education												
1000 Classroom Instruction												
2000 Support Services												
2100 Students												
2200 Instructional Staff												
2300 General Administration												
2400 School Administration												
2500 Central Services												
2600 Operation & Maintenance of Plant												
2900 Other												
3000 Operation of Noninstructional Services												
Subtotal (Lines 14-22)												
300 Special Education Disability Title 8 P.L. 103-382 Add-On (From Supplement, page 1, line 10)												
400 Pupil Transportation												
2700 Student Transportation												
510 Desegregation (From Desegregation Supplement -Districtwide, page 2, line 44)												
520 Special K-3 Program Override (From Supplement, page 1, line 20)												
530 Dropout Prevention Programs												
540 Joint Career and Technical Education & Vocational Education Center (From Supplement, page 1, line 30)												
Total Expenditures (Lines 13, and 23-29) (Cannot exceed page 7, line 11)												

SPECIAL EDUCATION PROGRAMS BY TYPE (M&O Fund Only)

(ARS §15-761)

	Current Year	Budget Year	
1. Autism	0	0	1.
2. Emotional Disability	0	0	2.
3. Hearing Impairment	0	0	3.
4. Other Health Impairments	0	0	4.
5. Specific Learning Disability	278,598	130,448	5.
6. Mild, Moderate or Severe Mental Retardation	53,429	43,482	6.
7. Multiple Disabilities	0	0	7.
8. Multiple Disabilities with S.S.I.*	0	0	8.
9. Orthopedic Impairment	0	0	9.
10. Preschool Moderate Delay	30,532	0	10.
11. Preschool Severe Delay	0	0	11.
12. Preschool Speech / Language Delay	0	0	12.
13. Speech / Language Impairment	0	0	13.
14. Traumatic Brain Injury	0	0	14.
15. Visual Impairment	0	0	15.
16. SUBTOTAL (Lines 1 through 15)	362,559	173,930	16.
17. Remedial Education	0	0	17.
18. ELL Incremental Costs	58,381	0	18.
19. ELL Compensatory Instruction	0	0	19.
20. Gifted Education	0	0	20.
21. Vocational and Technological Education	19,082	0	21.
22. Career Education	0	0	22.
23. TOTAL (Lines 16 through 22 Must equal total of lines 23 & 24, page 1)	440,022	173,930	23.
* Severe Sensory Impairment			

Proposed Ratios for Special Education (ARS §§15-903.E.1 and 15-764.A.5)	Teacher - Pupil	1 to	18.00
	Staff - Pupil	1 to	12.00

Estimated FTE Certified Employees (A.R.S. §15-903.E.2)	Current Year	Budget Year
	25.00	25.00

M&O DETAIL BY OBJECT CODE			
	Incl Excess 6411,6421	Utilities 6531,6621-25	Audit Services 6550
**	37,000	0	0
1. Regular Education	0	0	0
2. Special Education	0	0	0
3. Spec Ed Dis Title 8, PL103-382 Add-on	300	0	0
4. Pupil Transportation	400	0	0
5. Desegregation	510	0	0
6. Special K-3 Program Override	520	0	0
7. Dropout Prevention Programs	530	0	0
8. Career & Technical Ed. & Voc.Ed. Center	540	0	0
9. Subtotal (Lines 1 - 8)	37,000	0	0
10. School Plant Lease over 1yr Fund	500	0	0
11. School Plant Lease 1 yr or less Fund	505	0	0
12. Total (Lines 9-11)	37,000	0	0

*Include program codes 100, 610, 620, 630, 700, 800 and 900 (M&O Fund only).

FY 2007-2008 Performance Pay (A.R.S. §15-920) (1)
Amount Budgeted in M&O Fund for a Performance Pay Component 0
(1) Do not report budgeted amounts for the Performance Pay Component of the Classroom Site Fund on this line.

Average Daily Membership
A. FY 2005-07 Average Daily Membership: Resident 229,250 Attending 229,250
B. FY 2005-06 Average Daily Membership: Resident 177,080 Attending 177,018

Rapid Decline (A.R.S. §15-903.E.3) (2)
Actual Percent Decline in Student Count (From Work Sheet A, Line VI) K-8 2.4% 9-12 68.8%
Additional Allowable Exp. for Rapid Decline (From Work Sheet A, Line IX.G) 0 59,052
(2) This section must be completed for a district to receive Rapid Decline in the ADE apportionment calculations (APOR 55-1).

Expenditures Budgeted in M&O for Food Service
Enter the amount budgeted in M&O for Food Service (Fund 001, Function 3100)
[This amount will be used to determine district compliance with state matching requirements pursuant to Code of Federal Regulations (CFR) Title 7, Part 210.17(a)] 5,000

Estimated Transportation Revenues for FY 2007-2008
Enter the estimated transportation revenues (object code 1400) to be received 0

Expenditures	Salaries 6100	Employee Benefits 6200	Purchased S 6300, 6400, 6500 (1)	Supplies 6600	Other Interest 6850 (2)	Totals		Increase/ Decrease
						Current Year 2006-07	Budget Year 2007-2008	
Classroom Site Fund 011 - Base Salary								
100 Regular Education								
1000 Classroom Instruction	15,072	6,460				0	21,532	0.0%
2100 Support Services - Students	0	0				0	0	0.0%
2200 Support Services - Instructional Staff	0	0				0	0	0.0%
Program 100 Subtotal (lines 1-3)	15,072	6,460				0	21,532	0.0%
200 Special Education								
1000 Classroom Instruction	0	0				0	0	0.0%
2100 Support Services - Students	0	0				0	0	0.0%
2200 Support Services - Instructional Staff	0	0				0	0	0.0%
Program 200 Subtotal (lines 5-7)	0	0				0	0	0.0%
Other Programs (Specify)								
1000 Classroom Instruction	0	0				0	0	0.0%
2100 Support Services - Students	0	0				0	0	0.0%
2200 Support Services - Instructional Staff	0	0				0	0	0.0%
Other Programs Subtotal (lines 9-11)	0	0				0	0	0.0%
Total Expenditures (Lines 4, 8, and 12)	15,072	6,460				0	21,532	0.0%
Classroom Site Fund 012 - Performance Pay								
100 Regular Education								
1000 Classroom Instruction	30,145	12,919				0	43,064	0.0%
2100 Support Services - Students	0	0				0	0	0.0%
2200 Support Services - Instructional Staff	0	0				0	0	0.0%
Program 100 Subtotal (lines 14-16)	30,145	12,919				0	43,064	0.0%
200 Special Education								
1000 Classroom Instruction	0	0				0	0	0.0%
2100 Support Services - Students	0	0				0	0	0.0%
2200 Support Services - Instructional Staff	0	0				0	0	0.0%
Program 200 Subtotal (lines 18-20)	0	0				0	0	0.0%
Other Programs (Specify)								
1000 Classroom Instruction	0	0				0	0	0.0%
2100 Support Services - Students	0	0				0	0	0.0%
2200 Support Services - Instructional Staff	0	0				0	0	0.0%
Other Programs Subtotal (lines 22-24)	0	0				0	0	0.0%
Total Expenditures (Lines 17, 21, and 25)	30,145	12,919				0	43,064	0.0%
Classroom Site Fund 013 - Other								
100 Regular Education								
1000 Classroom Instruction	30,145	12,919		0		0	43,064	0.0%
2100 Support Services - Students	0	0		0		0	0	0.0%
2200 Support Services - Instructional Staff	0	0		0		0	0	0.0%
Other Programs Subtotal (Lines 27-29)	0	0		0		0	0	0.0%
Program 100 Subtotal (Lines 27-29)	30,145	12,919		0		0	43,064	0.0%

Expenditures	Salaries 6100	Employee Benefits 6200	Purchased S 6300, 6400, 6500 (1)	Supplies 6600	Other Interest 6850 (2)	Totals		Increased/ Decrease
						Current Year 2006-07	Budget Year 2007-2008	
200 Special Education								
1000 Classroom Instruction	0	0	0	0		0	0	0.0%
2100 Support Services - Students	0	0	0	0		0	0	0.0%
2200 Support Services - Instructional Staff	0	0	0	0		0	0	0.0%
Program 200 Subtotal (Lines 31-33)	0	0	0	0		0	0	0.0%
530 Dropout Prevention								
1000 Classroom Instruction	0	0	0	0		0	0	0.0%
Other Programs (Specify)								
1000 Classroom Instruction	0	0	0	0		0	0	0.0%
2100, 2200 Support Serv. Students & Instructional Staff	0	0	0	0		0	0	0.0%
Other Programs Subtotal (Lines 36-37)	0	0	0	0		0	0	0.0%
Total Expenditures (Lines 30, 34, 35, and 38)	30,145	12,919		0	0	0	43,064	0.0%
Total Classroom Site Funds (Lines 13, 26, and 39)	75,362	32,298	0	0	0	0	107,660	0.0%

(1) For FY 2007-2008, the district has budgeted \$ 0 in Fund 010, object code 6590 for Classroom Site Fund pass-through payments to district-sponsored charter schools. This amount is not included in the amounts reported for fund 013.

(2) Include amounts budgeted for registered warrant expense in Funds 011, 012, and 013 on lines 13, 26, and 39, respectively.

Expenditures	Rentals 6440	Library Books, Textbooks, & Instructional Aids (2) 6641-6643	Property (2) 6700	Redemption of Principal (3) 6630	Interest (4) 6640, 6650	All Other Object Codes	Totals		
							Current Year 2006-07	Budget Year 2007-2008	% Increase/ Decrease
Unrestricted Capital Outlay Override (1)	1.	0	0	0	0	0	0	0	0.0%
Unrestricted Capital Outlay Fund 610	2.	0	165,838				0	185,596	0.0%
1000 Instruction									
2000 Support Services									
2100, 2200 Students and Instructional Staff		5,000	0				0	5,000	0.0%
2300, 2400, 2500, 2900 Administration			0				0	0	0.0%
2600 Operation & Maintenance of Plant	200		0			400	0	600	0.0%
2700 Student Transportation	0		0			0	0	0	0.0%
3000 Operation of Noninstructional Services (5)	0		0			0	0	0	0.0%
4000 Facilities Acquisition and Construction	0		3,000			0	0	3,000	0.0%
5000 Debt Service	0				183,821		0	183,821	0.0%
Total Unrestricted Capital Outlay Fund (Lines 2-9)	200	24,756	168,838	0	183,821	400	0	378,017	0.0%
Soft Capital Allocation Fund 625									
1000 Instruction	11.	0	7,782			42,135	0	50,917	0.0%
2000 Support Services	12.	0	0			0	0	0	0.0%
2100, 2200 Students and Instructional Staff	13.	0	0			0	0	0	0.0%
2300, 2400, 2500, 2900 Administration	14.	0	0			0	0	0	0.0%
2600 Operation & Maintenance of Plant	15.	0	0			0	0	0	0.0%
2700 Student Transportation	16.	0	0			0	0	0	0.0%
3000 Operation of Noninstructional Services (5)	17.	0	0			0	0	0	0.0%
4000 Facilities Acquisition and Construction	18.	0	0		0	0	0	0	0.0%
5000 Debt Service	19.	0	7,782		0	42,135	0	50,917	0.0%
Total Soft Capital Allocation Fund (Lines 11-18)		0	7,782	0	0	42,135	0	50,917	0.0%

(1) Amounts in the Unrestricted Capital Outlay Override line 1 above must be included in the appropriate individual line items for Fund 610 and in the Budget Year Total column.

(2) Detail by object code.

	Unrestricted Capital Outlay	Soft Capital Allocation
6641 Library Books	15,000	0
6642 Textbooks	4,758	0
6643 Instructional Aids	5,000	1,000
6731 Furniture and Equipment	165,838	0
6734 Vehicles	0	0
6737 Technology-Related Hardware and Software	0	0

(3) Includes principal on Capital Equity Fund Loans of 0 and principal on capital leases of 0

(4) Includes interest on Capital Equity Fund Loans of 0 and interest on capital leases of 0

(5) Expenditures Budgeted in Unrestricted Capital Outlay and Soft Capital Allocation Funds for Food Service

Enter the amount budgeted in UCO and SCA for Food Service
[Amounts will be used to determine district compliance with state matching requirements pursuant to CFR Title 7 Part 210.17(a).]

Unrestricted Capital Outlay	0	Soft Capital Allocation	0
-----------------------------	---	-------------------------	---

Rev. 06/07-FY 2007-08

BV 12/10/2007 7:07:07 AM Working

Page 4 of 8

FUNDS 630, 685, 1000 id 695 BOND BUILDING AND CAPITAL FUNDS

Expenditures	Salaries 6100	Employee Benefits 6200	Property (1) 6700	Rider, of Principal 6830	Other Interest 6850	Totals		% Increase/ Decrease	Renovation (2)	Nt Construction (2)
						Current Year 2006-07	Budget Year 2007-2008			
Bond Building Fund 630										
1000 Instruction										
2000 Support Services										
2100, 2200 Students and Instructional Staff										
2300, 2400, 2500, 2900 Administration										
2600 Operation & Maintenance of Plant										
2700 Student Transportation										
3000 Operation of Noninstructional Services										
4000 Facilities Acquisition and Construction										
5000 Debt Service										
Total Bond Building Fund Expenditures (Lines 1-8)										
Deficiencies Correction Fund 685										
1000 Instruction										
2000 Support Services										
2100, 2200 Students and Instructional Staff										
2300, 2400, 2500, 2900 Administration										
2600 Operation & Maintenance of Plant										
2700 Student Transportation										
3000 Operation of Noninstructional Services										
4000 Facilities Acquisition and Construction										
5000 Debt Service										
Total Deficiencies Correction Fund Expenditures (Lines 10-17)										
Building Renewal Fund 690										
1000 Instruction										
2000 Support Services										
2100, 2200 Students and Instructional Staff										
2300, 2400, 2500, 2900 Administration										
2600 Operation & Maintenance of Plant										
2700 Student Transportation										
3000 Operation of Noninstructional Services										
4000 Facilities Acquisition and Construction										
5000 Debt Service										
Total Building Renewal Fund Expenditures (Lines 19-26)										
New School Facilities Fund 695										
1000 Instruction										
2000 Support Services										
2100, 2200 Students and Instructional Staff										
2300, 2400, 2500, 2900 Administration										
2600 Operation & Maintenance of Plant										
2700 Student Transportation										
3000 Operation of Noninstructional Services										
4000 Facilities Acquisition and Construction										
5000 Debt Service										
Total New School Facilities Fund Expenditures (Lines 28-35)										

(1) The original acquisition of fixed equipment is coded to function 4000. The cost of replacing fixed equipment is coded to function 2600. Nonfixed equipment, if any, allowed by the School Facilities Board guidelines to be purchased from the Deficiencies Correction or Building Renewal Funds is coded to function 1000-4000, based on its purpose.

(2) The budgeted expenditures, for renovation and new construction are shown by fund to comply with A.R.S. §15-904(B).

SPECIAL PROJECTS

No. of Personnel	Total All Funds	
	Current Year	Budget Year
1.	0.00	0.50
2.	0.00	0.00
3.	0.00	1.00
4.	0.00	0.00
5.	0.00	0.00
6.	0.00	0.00
7.	0.00	0.00
8.	0.00	0.90
9.	0.00	0.00
10.	0.00	0.00
11.	0.00	0.00
12.	0.00	0.00
13.	0.00	0.00
14.	0.00	0.00
15.	0.00	0.00
16.	0.00	2.40

STATE PROJECTS

0.00	0.00	0.00	0	0	17.
0.00	0.00	0.00	12,050	16,000	18.
0.00	0.00	0.00	0	12,000	19.
0.00	0.00	0.00	0	28,000	20.
0.00	0.00	0.00	0	0	21.
0.00	0.00	0.00	0	0	22.
0.00	0.00	0.00	0	0	23.
0.00	0.00	0.00	0	0	24.
0.00	0.00	0.00	0	0	25.
0.00	0.00	0.00	0	0	26.
0.00	0.00	0.00	35,008	445,428	27.
0.00	0.00	0.00	47,058	501,428	28.
0.00	2.40	888.378	2,094.361	29.	

Instructional Improvement Fund (020)

	Current Year	Budget Year
1.	\$0.00	\$67,500.00
2.	\$0.00	\$50,000.00
3.	\$0.00	\$100,000.00
4.	\$0.00	\$75,000.00
5.	\$0.00	\$292,500.00

OTHER FUNDS (Do Not Add to Aggregate)

OTHER FUNDS (Do Not Add to Aggregate)		Current Year	Net Year
1.	050 County, City, and Town Grants	0	0
2.	060 Full-Day Kindergarten	45,000	0
3.	065 Full-Day Kindergarten Capital	0	0
4.	071 Structured English Immersion (1)	0	0
5.	072 Compensatory Instruction (2)	0	0
6.	500 School Plant (Lease over 1 yr) (3)	0	0
7.	505 School Plant (Lease 1 yr or less)	0	0
8.	506 School Plant (Sale)	0	0
9.	510 Food Service	200,000	200,000
10.	515 Civic Center	2,500	2,500
11.	520 Community School	3,000	0
12.	525 Auxiliary Operations	15,000	15,000
13.	526 Extracurricular Activities Fees Tax Credit	1,500	1,500
14.	530 Gifts and Donations	2,500	280,000
15.	535 Career & Tech.Ed. & Voc.Ed. Projects	0	0
16.	540 Fingerprint	5,000	5,000
17.	545 School Opening	0	0
18.	550 Insurance Proceeds	25,000	25,000
19.	555 Textbooks	15,000	15,000
20.	565 Litigation Recovery	0	0
21.	570 Indirect Costs	102,000	102,000
22.	575 Unemployment Insurance	40,000	40,000
23.	580 Teacherage	35,000	35,000
24.	585 Insurance Refund	5,000	5,000
25.	590 Grants and Gifts to Teachers	50,000	50,000
26.	595 School Bus Advertisment	0	0
27.	598 Joint Technological Education	0	0
28.	620 Adjacent Ways	10,000	10,000
29.	639 Impact Aid Revenue Bond Building	0	0
30.	640 School Plant-Special Construction	0	0
31.	650 Gifts and Donations	5,000	5,000
32.	660 Condemnation	0	0
33.	670 Capital Equity	100,000	100,000
34.	686 Emergency Deficiencies Correction	0	0
35.	700 Debt Service	1,500,000	0
36.	720 Impact Aid Revenue Bond Debt Service	0	0
37.	750 Permanent	0	0
38.	Other	0	0

Internal Service Funds 950-989

	1.	2.	3.
1. 9 Self-insurance	6000	0	0
2. 955 Intergovernmental Agreements (4)	6000	55,000	
District Services:			
3. 9	6000	0	0

(1) From Supplement, Page 3, line 11.

(2) From Supplement, Page 3, line 22:

(3) Indicate amount budgeted in Fund 500 for M&O purposes:

(4) If other funds are used for IGAs, include activity here.

REV. 06/07-Y 2007-08

BV 12/10/2007 7:20:16 AM

Working

**CALCULATION FOR 2007-2008 GENERAL BUDGET LIMIT
(ARS §15-947.C)**

		A Maintenance and Operation	B Unrestricted Capital Outlay
1. (a) FY 2007-2008 Revenue Control Limit (RCL) (from Work Sheet E, line VIII or Work Sheet F, line V) \$	1,267,162		
* (b) Plus adjustment for growth (1)			
* (c) Increase or (decrease) in 03 district high school tuition payments (ARS §15-905.J) (1)			
(d) Adjusted Revenue Control Limit (RCL)	\$ 1,267,162	\$ 1,267,162	\$
2. FY 2007-2008 Capital Outlay Revenue Limit (CORL) (ARS §15-961) (from Work Sheet H, line VII.G)	\$ 50,126	\$ 50,126	\$ 0
3. FY 2007-2008 Override Authorization (ARS §§ 15-481 and 15-482)			
* (a) Maintenance and Operation (2)		119,561	
(b) Unrestricted Capital Outlay			
* (c) Special K-3 Program (2) (3)		63,358	
* 4. Small School Adjustment for Districts with a Student Count of 125 or less in K-8 or 100 or less in 9-12 (A.R.S. §15-949), (If phase-down applies, see Work Sheets K and K2) (4)			
* 5. Tuition Revenue (A.R.S. §§15-823 and 15-824)			
Local			
(a) Private			
(b) Other Arizona Districts			
(c) Out-of-State Districts			
State			
(d) Certificates of Educational Convenience (ARS §§15-825 and ARS 15-825.02)			
* 6. State Assistance (ARS §15-976)			
* 7. Allowable Budget Increase for Title 8, P.L. 103-382 Districts			
(a) Add-On for Children with Disabilities and Indian Students (ARS §15-905.K and O)		235,830	
(b) Administrative Costs (from Work Sheet L, line VI) (ARS §15-905.P)		2,574	
* 8. Increase Authorized by County School Superintendent for Accommodation Schools (from Work Sheet S, line II.B) (ARS §15-974.C)			
9. Budget Increase for:			
(a) Desegregation Expenditures (ARS §15-910.G-K) (5)			
(b) Tuition Out Debt Service (from all Work Sheets O, line VI) (ARS §15-910.L)			
* (c) Budget Balance Carryforward (from Work Sheet M, line 12) (ARS §15-943.01)			
(d) Dropout Prevention Program (Laws 1992, Ch. 305, §32 and Laws 2000, Ch. 398 §2)			
* (e) Excess Utilities (from Work Sheet N, line V) (ARS §15-910.A-.F)			
* (f) Assistance for Education (ARS §15-973.01) (1)			
(g) Registered Warrant or Tax Anticipation Note Interest Expense incurred in FY 2005- 06 (ARS §15-910.M)			
* (h) Joint Career and Technical Education and Vocational Education Center (ARS §15- 910.01)			
* (i) FY 2006-07 Career Ladder Unexpended Budget Carryforward (from Work Sheet M, line 6.g) (ARS §15-918.04.C)			
* (j) FY 2006-07 Optional Performance Incentive Program Unexpended Budget Carryforward (from Work Sheet M, line 6.h) (ARS §15-919.04)			
* (k) FY 2006-07 Performance Pay Unexpended Budget Carryforward (from Work Sheet M, line 6.i) (ARS §15-920)			
* 10. Adjustment to the General Budget Limit (ARS §15-905.M) (Do not use this line as a subtotal)			
Explanation: <u>10 % of overexpenditure for the 2006-07 school year</u>		-140,000	
11. FY 2007-2008 General Budget Limit (column A, lines 1 through 10) (A.R.S. §15-905.F) (page 1, line 30 cannot exceed this amount)		\$1,598,611	
12. Total amount to be used for Capital Expenditures (column B, lines 1 through 9) (A.R.S. §15-905.F)(to page 6, line A.12)			\$0

*Subject to adjustment prior to May 15 as allowed by A.R.S. and described in the budget revision memo to be issued in April, 2008.

(1) For budget adoption, this line should be left blank.

(2) District sponsored charter school pupils may not be included in the district's student count for the purposes of computing the RCL used to determine the maximum allowable override unless the charter school is located within the boundaries of the school district (ARS §15-185.A.6). For purposes of computing the override limitations, the RCL should exclude Type 03 tuition cost (ARS §15-951.B). If the RCL is reduced after budget adoption, the M&O and Special K-3 Program override amounts may also need to be reduced.

(3) In accordance with ARS §15-482.B, the maximum amount of Special K-3 Program Override authorized by an election shall not exceed 5% of the RCL attributable to the weighted student count in preschool programs for children with disabilities, kindergarten, and grades 1-8.

(4) Small school districts budgeting pursuant to A.R.S. §15.949.A must include an amount on this line to ensure that page 1, line 30 does not exceed the GBL for M&O.

(5) Laws 2007, HB 2790, §15, requires that the total amount budgeted for FY 2007-2008 desegregation expenditures in the M&O and UCO Funds cannot exceed the amount budgeted in FY 2006-07 adjusted for student growth and inflation, as calculated in the table on Desegregation Supplement-Districtwide, page 2.

UNRESTRICTED CAPITAL BUDGET LIMIT, SOFT CAPITAL ALLOCATION LIMIT, AND CLASSROOM SITE FUND BUDGET LIMIT
(A.R.S. §§15-947.D and .E and ARS §15-978)

CALCULATION OF UNRESTRICTED CAPITAL BUDGET LIMIT

A. 1. Total Amount Available for FY 2006-07 Capital Expenditures (from FY 2006-07 latest revised Budget, page 8, line A.14)	\$ 410,759
2. Total Unrestricted Capital Budget Limit (UCBL) Adjustment for prior years as notified by ADE on BUDG 75 Report. (For budget adoption, use zero. Show negative amount in parentheses.)(1)	\$ 0
3. Adjusted Amount Available for FY 2006-07 Capital Expenditures (line A.1 + A.2)	\$ 410,759
4. Amount Budgeted in Fund 610 in FY 2006-07 (from FY 2006-07 latest revised Budget, page 4, line 10)	\$ 410,759
5. Lesser of Lines A.3 or A.4	\$ 410,759
6. FY 2006-07 Fund 610 Actual Expenditures. (For budget adoption use actual expenditures to date plus estimated expenditures through the end of the fiscal year.)	\$ 319,965
7. Unexpended Budget Balance in Fund 610 (Line A.5 minus A.6) (If negative, use zero in calculation, but show negative amount here in parentheses. 0)	\$ 90,794
8. Interest Earned in Fund 610 in FY 2006-07	\$ 0
9. Federal Impact Adjustment (from Work Sheet R, Line V) (A.R.S. §15-964). Do not use this line if line A.13 is used.	\$ 287,223
10. Monies deposited in Fund 610 from School Facilities Board for donated land (A.R.S. §15-2041.F).	\$ 0
11. Adjustment to UCBL for FY 2007-2008 (ARS §15-905.M) Explanation	\$ 0
12. Amount to be Used for Capital Expenditures (from page 7, line 12)	\$ 0
13. FY 2007-2008 State Board Approval to Budget and Accumulate Cash Balance for Construction, Building Renovation, and Soft Capital. (A.R.S. §15-962.F) Do not use this line if line A.9 is used. (2)	\$ 0
14. Amount Available to be Spent in Unrestricted Capital Outlay Fund in FY 2007-2008 (Add lines A.7 through A.13) (3)	\$ 378,017
15. Less RCL and CORL to be Used for Capital Purposes [from page 7, Col. B, lines 1(d) and 2]	\$ 0
16. Less FY 2007-2008 State Board approval to budget and accumulate cash balance (from line A.13).	\$ 0
17. FY 2007-2008 Unrestricted Capital Budget Limit (line A.14 minus lines A.15 and A.16)	\$ 378,017

CALCULATION OF SOFT CAPITAL ALLOCATION LIMIT

B. 1. FY 2006-07 Soft Capital Allocation Limit (SCAL) (from FY 2006-07 latest revised Budget, page 8, line B.12)	\$ 293,267
2. Total SCAL Adjustment for prior years as notified by ADE on BUDG 75 report. (For budget adoption, use zero. Show negative amount in parentheses.)(1)	\$ 0
3. Adjusted FY 2006-07 SCAL (line B.1 + B.2)	\$ 293,267
4. Amount Budgeted in Fund 625 in FY 2006-07 (from FY 2006-07 latest revised Budget, page 4, line 19)	\$ 61,545
5. Lesser of Lines B.3 or B.4	\$ 61,545
6. FY 2006-07 Fund 625 Actual Expenditures (For budget adoption use actual expenditures to date plus estimated expenditures through the end of the fiscal year.)	\$ 59,004
7. Unexpended Budget Balance in Fund 625 (Line B.5 minus B.6) (If negative, use zero in calculation, but show negative amount here in parentheses. 0)	\$ 2,541
8. Interest Earned in Fund 625 in FY 2006-07	\$ 0
9. Soft Capital Allocation (from Work Sheet I, line V.G)	\$ 48,376
10. Capital Transportation Adjustment Approved by State Board of Education (A.R.S. §15-963.B)	\$ 0
11. Adjustment to SCAL for FY 2007-2008 (A.R.S. §15-905.M) Explanation	\$ 0
12. FY 2007-2008 Soft Capital Allocation Limit (Add lines B.7 through B.11)(4)	\$ 50,917

CALCULATION OF CLASSROOM SITE FUND BUDGET LIMIT

C. 1. FY 2006-07 Classroom Site Fund Budget Limit (from FY 2006-07 latest revised Budget, page 8, line C.7)	\$ 123,452
2. FY 2006-07 Classroom Site Fund Actual Expenditures (For budget adoption use actual expenditures to date plus estimated expenditures through the end of the fiscal year.)	\$ 68,678
3. Unexpended Budget Balance in Classroom Site Fund (Line C.1 minus Line C.2)	\$ 54,774
4. Interest Earned in the Classroom Site Fund in FY 2006-07	\$ 0
5. FY 2007-2008 Classroom Site Fund Allocation (provided by ADE, based on \$401)	\$ 107,660
6. Adjustments to FY 2007-2008 Classroom Site Fund Budget Limit (5)	\$ 0
7. FY 2007-2008 Classroom Site Fund Budget Limit (Sum of lines C.3 through C.6) (6)	\$ 162,434

(1) Amounts included on these lines must be negative. Positive adjustments approved by ADE in accordance with A.R.S. §15-915 should be included on line A.11 for the Unrestricted Capital Outlay Fund and on line B.11 for the Soft Capital Allocation Fund.

(2) This amount cannot exceed the lesser of the FY 2006-07 Federal Impact Aid (Title 8, P.L. 103-382) Entitlement or the M&O Fund ending cash balance at June 30, 2007, after encumbrances, less any amount used to fund nonlevy overrides or budget balance carryforward.

(3) The amount budgeted on page 4, line 10 cannot exceed this amount.

(4) The amount budgeted on page 4, line 19 cannot exceed this amount.

(5) This line may be used to recapture lost CSF budget capacity that resulted from underbudgeting in prior fiscal years. This amount should not exceed the difference as noted by ADE on FY 2007-2008 BUDGCSF Report for the FY 2006-07 Classroom Site Fund Budget Limit.

(6) The sum of the amounts budgeted on page 3, line 40 and footnote (1) on that page, cannot exceed this amount.

**FY 2007-2008
STATE OF ARIZONA**



**SUPPLEMENT
TO
SCHOOL DISTRICT ANNUAL EXPENDITURE BUDGET
FOR**

SPECIAL EDUCATION DISABILITY TITLE 8, P.L. 103-382 ADD-ON

SPECIAL K-3 PROGRAM OVERRIDE (A.R.S. §15-482)

JOINT CAREER AND TECHNICAL EDUCATION AND VOCATIONAL EDUCATION CENTER (A.R.S. §15-910.01)

ENGLISH LANGUAGE LEARNERS (A.R.S. §15-756.04 and 15-756.11)

M & O Fund Supplement**EXPENDITURES**

	No. of Personnel		Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Debt Service and Miscellaneous 6800	Totals		% Increase/ Decrease
	Current Year	Budget Year						Current Year 2006-07	Budget Year 2007-2008	
300 Special Education Disability Title 8 PL 103-382 Add-On										
1000 Classroom Instruction	0.00	0.00	20,000	0	0	7,750	0	41,250	27,750	-32.7%
2000 Support Services										
2100 Students										
2200 Instructional Staff	0.00	0.00	0	0	0	0	0	0	0	0.0%
2300 General Administration	0.00	0.00	0	0	0	0	0	0	0	0.0%
2400 School Administration	0.00	0.00	0	0	0	0	0	0	0	0.0%
2500 Central Services	0.00	0.00	0	0	0	0	0	0	0	0.0%
2600 Operation & Maintenance of Plant	0.00	0.00	0	0	0	0	0	0	0	0.0%
2900 Other	0.00	0.00	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0.00	0.00	0	0	0	0	0	0	0	0.0%
Subtotal (lines 1-9) (to Budget page 1, line 24)	0.00	0.00	20,000	0	0	7,750	0	41,250	27,750	-32.7%
520 Special K-3 Program Override										
1000 Classroom Instruction	0.00	0.00	27,294	26,065	0	10,000	0	49,302	63,358	28.5%
2000 Support Services										
2100 Students										
2200 Instructional Staff	0.00	0.00	0	0	0	0	0	0	0	0.0%
2300 General Administration	0.00	0.00	0	0	0	0	0	0	0	0.0%
2400 School Administration	0.00	0.00	0	0	0	0	0	0	0	0.0%
2500 Central Services	0.00	0.00	0	0	0	0	0	0	0	0.0%
2600 Operation & Maintenance of Plant	0.00	0.00	0	0	0	0	0	0	0	0.0%
2900 Other	0.00	0.00	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0.00	0.00	0	0	0	0	0	0	0	0.0%
Subtotal (Lines 11-19) (to Budget page 1, line 27)	0.00	0.00	27,294	26,065	0	10,000	0	49,302	63,358	28.5%
540 Joint Career and Technical Education & Vocational Educ Center										
1000 Classroom Instruction	0.00	0.00	0	0	0	0	0	0	0	0.0%
2000 Support Services										
2100 Students										
2200 Instructional Staff	0.00	0.00	0	0	0	0	0	0	0	0.0%
2300 General Administration	0.00	0.00	0	0	0	0	0	0	0	0.0%
2400 School Administration	0.00	0.00	0	0	0	0	0	0	0	0.0%
2500 Central Services	0.00	0.00	0	0	0	0	0	0	0	0.0%
2600 Operation & Maintenance of Plant	0.00	0.00	0	0	0	0	0	0	0	0.0%
2900 Other	0.00	0.00	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0.00	0.00	0	0	0	0	0	0	0	0.0%
Subtotal (Lines 21-29) (to Budget page 1, line 29)	0.00	0.00	0	0	0	0	0	0	0	0.0%

Unrestricted Cat. Outlay Fund Supplement

Expenditures	Rentals 6440	Library Books, Textbooks, & Instructional Aids 6641-6643	Property 6700	Redemption of Principal 6030	Interest 6840, 6850	All Other Object Codes	Totals		% Increase/ Decrease
							Current Year 2006-07	Budget Year 2007-2008	
300 Special Education Disability Title 8 P.L. 103-382 Add-On									
1000 Classroom Instruction	31.	0	0			0	0	0	0.0%
2000 Support Services	32.	0	0			0	0	0	0.0%
3000 Operation of Noninstructional Services	33.	0	0			0	0	0	0.0%
4000 Facilities Acquisition & Construction	34.	0	0			0	0	0	0.0%
5000 Debt Service	35.			0	0	0	0	0	0.0%
Subtotal (Lines 31-35)	36.	0	0	0	0	0	0	0	0.0%
520 Special K-3 Program Override									
1000 Classroom Instruction	37.	0	0			0	0	0	0.0%
2000 Support Services	38.	0	0			0	0	0	0.0%
3000 Operation of Noninstructional Services	39.	0	0			0	0	0	0.0%
4000 Facilities Acquisition & Construction	40.	0	0			0	0	0	0.0%
5000 Debt Service	41.			0	0	0	0	0	0.0%
Subtotal (Lines 37-41)	42.	0	0	0	0	0	0	0	0.0%
540 Joint Career and Technical Education & Vocational Education Center									
1000 Classroom Instruction	43.	0	0			0	0	0	0.0%
2000 Support Services	44.	0	0			0	0	0	0.0%
3000 Operation of Noninstructional Services	45.	0	0			0	0	0	0.0%
4000 Facilities Acquisition & Construction	46.	0	0			0	0	0	0.0%
5000 Debt Service	47.			0	0	0	0	0	0.0%
Subtotal (Lines 43-47)	48.	0	0	0	0	0	0	0	0.0%
Total (Lines 36, 42, & 48) (Include in Fund 610 Budget page 4, Lines 2-9)	49.	0	0	0	0	0	0	0	0.0%

English Language Learners Supplement Expenditures	No. of Personnel Current Year	Budget Year	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Property 6700	Debt Service and Miscellaneous 6800	Totals		% Increase/ Decrease
									Current Year 2006-07	Budget Year 2007-2008	
1. Fund 071 - Structured English Immersion											
1000 Classroom Instruction											
2000 Support Services											
2100 Students											
2200 Instructional Staff											
2300 General Administration											
2400 School Administration											
2500 Central Services											
2600 Operation & Maintenance of Plant											
2700 Student Transportation											
2900 Other											
3000 Operation of Noninstructional Services											
10. Total (lines 1-10) (to Budget page 6, Other Funds, line 4)											
11. Fund 072 - Compensatory Instruction											
1000 Classroom Instruction											
2000 Support Services											
2100 Students											
2200 Instructional Staff											
2300 General Administration											
2400 School Administration											
2500 Central Services											
2600 Operation & Maintenance of Plant											
2700 Student Transportation											
2900 Other											
3000 Operation of Noninstructional Services											
21. Total (lines 12-21) (to Budget page 6, Other Funds, line 5)											
22.											

FY 2007-2008
STATE OF ARIZONA



DESEGREGATION SUPPLEMENT
Districtwide
School-By-School

A.R.S. §15-910(J) as amended by Laws 2007, HB 2790, §15
and Laws 2006, Ch. 353, §18

Number of Individual School Budgets _____

Districtwide Desegregation Budget, Fiscal Year 2007, HB 2790, \$15)

Maintenance & Operation (M & O) Fund EXPENDITURES	No. of Personnel Current Year	Budget Year	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6500	Debt Service and Miscellaneous 6800	Totals		% Increase/ Decrease
								Current Year 2006-07	Budget Year 2007-2008	
511 Desegregation - Regular Education										
1000 Classroom Instruction	1.	0.00	0.00	0	0	0	0	0	0	0.0%
2000 Support Services										
2100 Students	2.	0.00	0.00	0	0	0	0	0	0	0.0%
2200 Instructional Staff	3.	0.00	0.00	0	0	0	0	0	0	0.0%
2300 General Administration	4.	0.00	0.00	0	0	0	0	0	0	0.0%
2400 School Administration	5.	0.00	0.00	0	0	0	0	0	0	0.0%
2500 Central Services	6.	0.00	0.00	0	0	0	0	0	0	0.0%
2600 Operation and Maintenance of Plant	7.	0.00	0.00	0	0	0	0	0	0	0.0%
2900 Other	8.	0.00	0.00	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	9.	0.00	0.00	0	0	0	0	0	0	0.0%
Subtotal (Lines 1-9)	10.	0.00	0.00	0	0	0	0	0	0	0.0%
512 Desegregation - Special Education										
1000 Classroom Instruction	11.	0.00	0.00	0	0	0	0	0	0	0.0%
2000 Support Services										
2100 Students	12.	0.00	0.00	0	0	0	0	0	0	0.0%
2200 Instructional Staff	13.	0.00	0.00	0	0	0	0	0	0	0.0%
2300 General Administration	14.	0.00	0.00	0	0	0	0	0	0	0.0%
2400 School Administration	15.	0.00	0.00	0	0	0	0	0	0	0.0%
2500 Central Services	16.	0.00	0.00	0	0	0	0	0	0	0.0%
2600 Operation and Maintenance of Plant	17.	0.00	0.00	0	0	0	0	0	0	0.0%
2900 Other	18.	0.00	0.00	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	19.	0.00	0.00	0	0	0	0	0	0	0.0%
Subtotal (Lines 11-19)	20.	0.00	0.00	0	0	0	0	0	0	0.0%
513 Desegregation - Pupil Transportation	21.	0.00	0.00	0	0	0	0	0	0	0.0%
514 Desegregation - ELL, Incremental Costs										
1000 Classroom Instruction	22.	0.00	0.00	0	0	0	0	0	0	0.0%
2000 Support Services										
2100 Students	23.	0.00	0.00	0	0	0	0	0	0	0.0%
2200 Instructional Staff	24.	0.00	0.00	0	0	0	0	0	0	0.0%
2300 General Administration	25.	0.00	0.00	0	0	0	0	0	0	0.0%
2400 School Administration	26.	0.00	0.00	0	0	0	0	0	0	0.0%
2500 Central Services	27.	0.00	0.00	0	0	0	0	0	0	0.0%
2600 Operation and Maintenance of Plant	28.	0.00	0.00	0	0	0	0	0	0	0.0%
2700 Student Transportation	29.	0.00	0.00	0	0	0	0	0	0	0.0%
2900 Other	30.	0.00	0.00	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	31.	0.00	0.00	0	0	0	0	0	0	0.0%
Subtotal (Lines 22-31)	32.	0.00	0.00	0	0	0	0	0	0	0.0%

Districtwide Desegregation Budget, Fiscal Year 21 08(A.R.S. §15-910(J) and Laws 2007, HB 2790, §15)

M & O Fund (Concluded)**EXPENDITURES**

	No. of Personnel		Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Debit Service and Miscellaneous 6800	Totals		% Increase/ Decrease
	Current Year	Budget Year						Current Year 2006-07	Budget Year 2007-2008	
515 Desegregation - ELL - Compensatory Instruction										
1000 Classroom Instruction										
2000 Support Services										
2100 Students										
2200 Instructional Staff										
2300 General Administration										
2400 School Administration										
2500 Central Services										
2600 Operation and Maintenance of Plant										
2700 Student Transportation										
2900 Other										
3000 Operation of Noninstructional Services										
Subtotal (Lines 33-42)										
Total M&O Fund Desegregation (lines 10, 20, 21, 32 & 43)										
(to Budget page 1, line 26) (1)										

(1) Laws 2007, HB 2790, §15, requires that the amount budgeted for FY 2007-2008 desegregation expenditures in the M&O and UCO Funds cannot exceed the amount budgeted in FY 2006-07, adjusted for student growth and inflation, as calculated in the table below.

Does the district budget for desegregation in the M&O and UCO Funds?

If YES, the following information must be completed to calculate the maximum amount allowed for FY 2007-2008 as required by Laws 2007, HB 2790, §15.

1. FY 2006-07 Desegregation Budget (from FY 2006-07 latest revised budget, Desegregation Supplement Districtwide, page 2, line 44 and page 3, line 70)
2. FY 2005-06 Attending ADM (Obtain amount from the ADE Report ADMS 45-2)
3. FY 2006-07 Attending ADM (Obtain amount from the ADE Report ADMS 45-2)
4. % Change in ADM (line 3 minus line 2 divided by line 2). If less than zero, use zero %.
5. Increase Allowed for Student Growth (line 1 multiplied by line 4)
6. Increase Allowed for Inflation (line 1 multiplied by 2%)
7. Maximum Amount Allowed for FY 2007-2008 Desegregation Budget (Sum of lines 1, 5, and 6)

Select Yes or No
☐ Yes ☒ No

0	0
0	0
0	0
0	0
0.00%	0.00%
0	0
0	0
0	0

Desegregation Revenues A.R.S. §15-910(J)(3)(a) & (f):

Tax Levy:

Other (description):

Other (description):

Other (description):

Teachers	Administrators	Others	Total
0.000	0.000	0.000	0.000

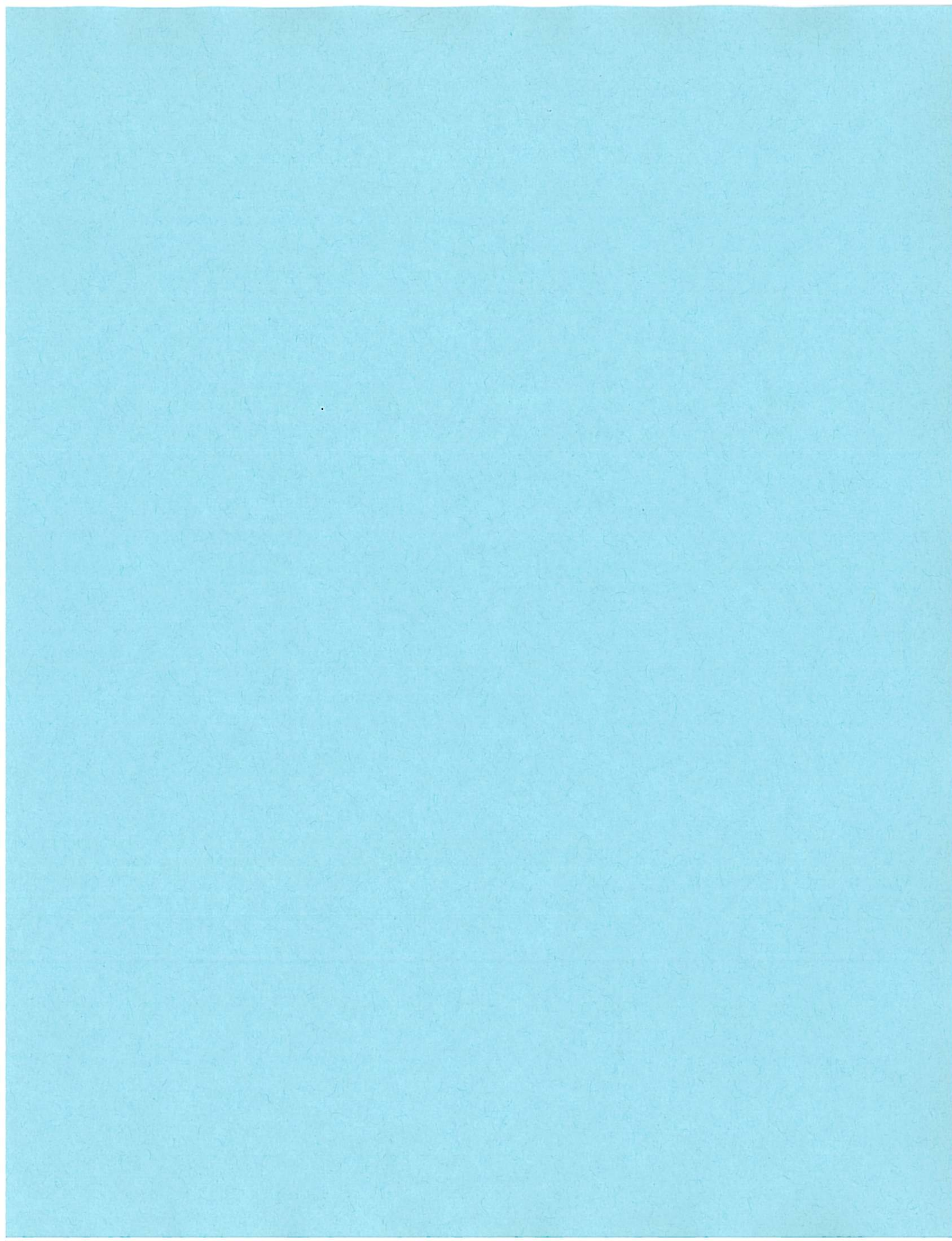
2. THE INITIAL DATE THAT THE SCHOOL DISTRICT BEGAN TO LEVY PROPERTY TAXES TO PROVIDE FUNDING FOR DESEGREGATION EXPENSES.
A.R.S. §15-910(J)(3)(d)

1. THE DATE THAT THE SCHOOL DISTRICT WAS DETERMINED TO BE OUT OF COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (42 UNITED STATES CODE SECTION 2000d) AND THE BASIS FOR THAT DETERMINATION. A.R.S. §15-910(J)(3)(c)

Districtwide Desegregation Budget, Fiscal Year 2: J08(A.R.S. §15-910(J) and Laws 2007, HB 2790, §15)

Unrestricted Capital Outlay (UCO) Fund

Expenditures	Rentals 6440	Library Books Textbooks, & Instructional Aids 6641-6643	Property 6700	Redemption of Principal 6830	Interest 6840, 6850	All Other Object Codes	Totals		% Increase/ Decrease
							Current Year 2006-07	Budget Year 2007-2008	
511 Desegregation - Regular Education									
1000 Classroom Instruction	0	0	0			0	0	0	0.0% 4
2000 Support Services	0	0	0			0	0	0	0.0% 4
3000 Operation of Noninstructional Services	0	0	0			0	0	0	0.0% 4
4000 Facilities Acquisition & Construction	0	0	0			0	0	0	0.0% 4
5000 Debt Service						0	0	0	0.0% 4
Subtotal (Lines 45-49)	0	0	0	0	0	0	0	0	0.0% 4
512 Desegregation - Special Education									
1000 Classroom Instruction	0	0	0			0	0	0	0.0% 5
2000 Support Services	0	0	0			0	0	0	0.0% 5
3000 Operation of Noninstructional Services	0	0	0			0	0	0	0.0% 5
4000 Facilities Acquisition & Construction	0	0	0			0	0	0	0.0% 5
5000 Debt Service						0	0	0	0.0% 5
Subtotal (Lines 51-56)	0	0	0	0	0	0	0	0	0.0% 5
513 Desegregation - Pupil Transportation									
514 Desegregation - ELL Incremental Costs									
1000 Classroom Instruction	0	0	0			0	0	0	0.0% 5
2000 Support Services	0	0	0			0	0	0	0.0% 5
3000 Operation of Noninstructional Services	0	0	0			0	0	0	0.0% 5
4000 Facilities Acquisition & Construction	0	0	0			0	0	0	0.0% 5
5000 Debt Service						0	0	0	0.0% 5
Subtotal (Lines 58-62)	0	0	0	0	0	0	0	0	0.0% 5
515 Desegregation - ELL - Compensatory Instruction									
1000 Classroom Instruction	0	0	0			0	0	0	0.0% 5
2000 Support Services	0	0	0			0	0	0	0.0% 5
3000 Operation of Noninstructional Services	0	0	0			0	0	0	0.0% 5
4000 Facilities Acquisition & Construction	0	0	0			0	0	0	0.0% 5
5000 Debt Service						0	0	0	0.0% 5
Subtotal (Lines 64-68)	0	0	0	0	0	0	0	0	0.0% 5
Total UCO Fund Desegregation (Lines 50, 56, 57, 63, & 69) (Include in Fund 610 Budget Page 4, lines 2-9) (2)	0	0	0	0	0	0	0	0	0.0% 6
(2) Laws 2007, HB 2790, §15, requires that the amount budgeted for FY 2007-2008 desegregation expenditures in the M&O and UCO Funds cannot exceed the amount budgeted in FY 2006-07, adjusted for student growth and inflation, as calculated in the table on page 2.									



DISTRICT NAME PEACH SPRINGS UNIFIED SCHOOL

COUNTY

MOHAVE

CTDS NUMBER 08 02 08 000



ANNUAL FINANCIAL REPORT

We, the Governing Board of the District, hereby certify the
Annual Financial Report per A.R.S. §15-904
for the Fiscal Year

2006-07

SIGNATURE/DATE

TITLE

Board President

Board Clerk

Board Member

Board Member

Board Member

The Annual Financial Report file(s) for FY 2006-07 uploaded to the Arizona Department of Education's Web site on
10/15/2007 contain(s) the data for the AFR described above.

Superintendent

Vickie Logan

District Contact Employee

Business Manager

(928) 769-2202

Telephone Number

loganv@psusd.k12.az.us

Email

TOTAL EXPENDITURES BY FUND

1. Maintenance & Operation (from page 2, line 33)
2. Classroom Site Funds (from page 4, line 49 plus page 4, footnote 1)
3. Unrestricted Capital Outlay (from page 5, line 10)
4. Soft Capital Allocation (from page 5, line 19)

\$	3,497,103
\$	68,678
\$	319,965
\$	59,004

FUNDS AVAILABLE

Beginning Fund Balance (1)

- 'ENUE

Local

1110 Property Taxes

1280 Revenue in Lieu of Taxes

1310 Tuition from Individuals

1320 Tuition from Other Arizona Districts

1330 Tuition from Out-of-State Districts

1340 Tuition from Other Sources

1410 Transportation Fees from Individuals

1420 Transportation Fees from Other Arizona Districts

1430 Transportation Fees from Out-of-State Districts

1440 Transportation Fees from Other Sources

1500 Earnings on Investments

Other (Specify) (2)

2000 Intermediate

2110 County School Fund

2120 County Equalization Assistance

2210 Special County School Reserve Fund

Other (Specify) 1515

3000 State

3110 State Equalization Assistance

3120 Additional State Aid

Other (Specify)

4000 Federal

4100 Unrestricted Revenue Received Directly from the Federal Government

70 Unrestricted Revenue Received from the Federal Government through the State

4700 Revenue Received from the Federal Govt through other Intermediate Agencies

4800 Revenue in Lieu of Taxes

4900 Revenue for/on Behalf of the District

Other (Specify)

TOTAL FUND REVENUE (lines 14, 19, 23, and 30)

5200 Interfund Transfers in

Other (Specify)

TOTAL FUNDS AVAILABLE (lines 1, 31, 32 and 33)

Total Maintenance and Operation Expenditures (p.2, line 33)

Total Capital Expenditures (p.5, lines 10 and 19)

6900 Other Financing Uses

TOTAL EXPENDITURES & OTHER USES (lines 35 or 36 plus 37)

ENDING FUND BALANCE (line 34 minus line 38) (1)

ADE/AG 41-202 Rev. 8/07-FY 2006-07 (REV) Date Printed: 10/15/2007 10:04:00 AM

1. 1. 0

2. 2. 0

3. 3. 0

4. 4. 0

5. 5. 0

6. 6. 0

7. 7. 0

8. 8. 0

9. 9. 0

10. 10. 0

11. 11. 0

12. 12. 0

13. 13. 0

14. 14. 0

15. 15. 0

16. 16. 2,723

17. 17. 0

18. 18. 0

19. 19. 2,723

20. 20. 146,326

21. 21. 0

22. 22. 0

23. 23. 146,326

24. 24. 0

25. 25. 0

26. 26. 0

27. 27. 0

28. 28. 0

29. 29. 0

30. 30. 0

31. 31. 149,049

32. 32. 0

33. 33. 0

34. 34. 149,049

35. 35. 0

36. 36. 59,004

37. 37. 0

38. 38. 59,004

39. 39. 90,045

(1) Includes the Maintenance and Operation Fund revolving account cash balance on hand of \$ _____ AT 7/1/06 AM \$ _____ AT 6/30/07

(2) The amount of Government Property Lease Excluse Tax revenue included on line 13 is \$ _____

MAINTENANCE AND OPERATION FUND 001 -- EXPENDITURES

	Salaries 6100	Employee Benefits 6200	Purchased Svcs 6300, 6400, 6500	Supplies 6600	Other 6800	Totals		% Increase / Decrease
						Budget FY 2006-07	Actual FY 2006-07	
EXPENDITURES								
100 Regular Education								
1000 Classroom Instruction	732,836	184,112	73,584	185,635	14	535,149	1,176,181	-20.8%
2000 Support Services								
2100 Students	37,975	6,361	960	0	0	0	45,296	205.7%
2200 Instructional Staff	14,138	2,728	2,770	39,916	0	0	59,552	-3.3%
2300 General Administration	419,607	130,187	105,495	2,319	4,332	518,538	661,940	101.0%
2400 School Administration	210,204	52,877	3,765	17,268	0	188,686	284,114	34.8%
2500, 2800 Business and Central	0	0	894	78,666	0	20,000	79,560	50.3%
2600 Operation & Maintenance of Plant Services	172,179	89,637	135,559	149,141	0	204,343	380,935	43.5%
2900 Other	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0.0%
600 School-Sponsored Curricular Activities	0	0	0	0	0	0	0	0.0%
620 School-Sponsored Athletics	0	0	0	0	0	0	0	0.0%
630 Other Instructional Programs	0	0	0	0	0	0	0	0.0%
700, 800, 900 Other Programs	0	0	0	0	0	0	0	0.0%
Regular Education Subtotal (Lines 1-13)	1,586,939	465,902	323,027	472,945	4,346	1,466,716	2,853,159	12.5%
200 Special Education								
1000 Classroom Instruction	68,626	18,685	122,843	575	0	104,413	210,729	-38.6%
2000 Support Services								
2100 Students	0	0	4,600	0	0	0	4,600	0.0%
2200 Instructional Staff	139,595	25,640	52,996	49,525	0	229,835	287,756	447.3%
2300 General Administration	0	0	79	0	0	0	79	-98.8%
2400 School Administration	0	0	0	0	0	0	0	0.0%
2500, 2800 Business and Central	0	0	0	0	0	0	0	0.0%
2600 Operation & Maintenance of Plant Services	0	0	0	0	0	0	0	0.0%
2900 Other	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0.0%
Subtotal (Lines 15-23)	208,221	44,325	180,518	50,100	0	334,248	483,164	21.2%
300 Special Education Disability Title 8 P.L.103-382 Add-On								
(from Supplement 1, line 10)	0	0	0	0	0	0	0	-100.0%
400 Pupil Transportation								
2700 Student Transportation	53,739	14,841	26,587	65,096	0	129,000	160,263	27.9%
500 Desegregation								
(from Desegregation Supplement-Districtwide, page 2, line 44)	0	0	0	0	0	0	0	0.0%
520 Special K-3 Program Override								
(from Supplement 1, line 20)	517	0	0	0	0	74,166	517	-99.0%
530 Dropout Prevention Programs								
1000 Classroom Instruction	0	0	0	0	0	0	0	0.0%
2000-3000 Support Serv. & Oper. of Noninstructional Serv.	0	0	0	0	0	0	0	0.0%
Subtotal (lines 29 and 30)	0	0	0	0	0	0	0	0.0%
540 Joint Career and Technical Education and Vocational Education Center								
(from Supplement 1, line 30)	0	0	0	0	0	0	0	0.0%
Total Expenditures	1,849,416	525,068	530,132	588,141	4,346	2,003,130	3,497,103	11.0%

A. ENROLLMENT OF GIFTED PUPILS BY GRADE (A.R.S §15-779.02)

Areas of Identification (A.R.S § 15-203(A)(15))

	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
1. Quantitative Reasoning	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Verbal Reasoning	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Non-Verbal Reasoning	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Total Duplicated Enrollment (lines 1-3) (1)	0	0	0	0	0	0	0	0	0	0	0	0	0

B. ENROLLMENT OF GIFTED PUPILS BY ETHNICITY

Total Number
Gifted Pupils

1. White, not Hispanic	0
2. Black, not Hispanic	0
3. Hispanic	0
4. American Indian / Alaskan Native	0
5. Asian or Pacific Islander	0
6. Total Unduplicated Enrollment (lines 1-5) (1)	0

C. MAINTENANCE AND OPERATION FUND SPECIAL EDUCATION PROGRAMS BY TYPE

	BUDGET	ACTUAL
1. Autism	0	0
2. Emotional Disability	19,082	20,082
3. Hearing Impairment	0	0
4. Other Health Impairments	0	0
5. Specific Learning Disability	278,596	309,121
6. Mild, Moderate, or Severe Mental Retardation	53,429	63,429
7. Multiple Disabilities	0	0
8. Multiple Disabilities with Severe Sensory Impairment	0	0
9. Orthopedic Impairment	0	0
10. Preschool Moderate Delay	30,532	30,532
11. Preschool Severe Delay	0	0
12. Preschool Speech/Language Delay	0	0
13. Speech/Language Impairment	50,000	60,000
14. Traumatic Brain Injury	0	0
15. Visual Impairment	0	0
16. Subtotal (lines 1-15)	0	0
17. Remedial Education	431,641	483,164
18. ELL Incremental Costs	0	0
19. ELL Compensatory Instruction	0	0
20. Gifted Education (2)	0	0
21. Vocational and Technological Education	0	0
22. Career Education	0	0
23. Total (lines 16-22) (3)	431,641	483,164

D. MAINTENANCE AND OPERATION EXPENDITURES FOR GIFTED PUPILS (ELEMENTARY, SECONDARY AND TOTAL)

Actual Expenditures for all Gifted Programs:

K-8	0
9-12	0
Total (2)	0

E. MAINTENANCE AND OPERATION DETAIL BY OBJECT CODE (4)

1. Utilities including Excess (5)	6565
2. Tuition Out Debt Service	6350
3. Audit Services - Non Federal (6)	6350

F. MAINTENANCE AND OPERATION EXPENDITURES FOR CAREER LADDER PROGRAM

Actual Expenditures Made in FY 2006-07 \$ 0

G. MAINTENANCE AND OPERATION EXPENDITURES FOR OPTIONAL PERFORMANCE INCENTIVE PROGRAM (7)

Actual Expenditures Made in FY 2006-07 \$ 0

H. MAINTENANCE AND OPERATION EXPENDITURES FOR PERFORMANCE PAY (7)

Actual Expenditures Made in FY 2006-07 \$ 0

I. TUITION PAID TO OTHER ARIZONA DISTRICTS (Object Codes 6561 and 6565)

	M&O (001) 6561	Unrestricted Capital Outlay (610) 6561	Self Capital Allocation (625) 6561	Debt Service (700) 6565	Total
1. Type 03 districts (tuition for high school students only)	0	0	0	0	0
2. ALL DISTRICTS including Type 03 (all tuition paid to other Arizona districts)	0	0	0	0	0

J. AMOUNTS PAID FOR AN EXCESSIVE PROPERTY TAX VALUATION JUDGMENT PER A.R.S. §42.16213 AND REFUNDED

Actual principal and interest expenditures made in FY 2006-07 \$ 0

Is this amount included in your detailed expenditures on Page 2, Object 680 ☐ Yes ☒ No

(1) Total Enrollment in Section B cannot be greater than Section

(2) Total actual gifted expenditures in Sections C and D must agree.

(3) Total actual expenditures by program type must agree with total for Programs 200 and 300 expenditures on page 2, lines 24 and 25.

(4) Obtain total budget amounts from district's FY 2006-07 latest revised adopted budget, page 2, M&O Detail by Object Code section, line 9. Budget and actual expenditures must also be included in Maintenance and Operation Fund expenditures on page 2 of this

(5) Include expenditures for object codes 6411, 6421, 6531, 6621-6625.

(6) Enter the Maintenance and Operation Fund expenditures made in FY 2006-07 for nonfederal audit services (should be coded to function 2310) on line E.3 above. The total federal audit service expenditure made in FY 2006-07 from all funds was \$ 20,000

(7) Do not report expenditures for the Performance Pay Component of the Classroom Site Fund or the Instructional Improvement Fund on these if

(8) All amounts included on Line 1 must be included on Line 2 (Line 2 must be greater than or equal to Line 1.)

(9) The amount of principal and interest paid for a property tax valuation judgment (i.e., Kinder Morgan, Southwest Gas) in FY 2006-07, that was not budgeted for, should be included on this line. This amount will not be included on ADE's overexpenditure analysis for FY 2006-07.

DISTRICT NAME PEACH SPRINGS UNIFIED SCHOOL

COUNTY MOHAVE

CTDS NUMBER 080208000

Revenue Object Codes/Expenditure Function Codes

Revenue Object Codes/Expenditure Function Codes	Beginning Fund Balance	Actual Revenues	Salaries 6100	Employee Benefits 6200	Purchased Svs 6300, 6400, 6500 (1)	Supplies 6600	Other Interest 6840 (2)	Totals Actual FY 2006-07	Actual FY 2005-06	% Increase/Decrease In Actual	Ending Fund Balance
Classroom Site Fund 011 - Base Salary											
venues											
CSF Allocation (20%)		12,566									
Interest Earned		0									
Total Revenues (lines 1 & 2)		12,566									
Expenditures											
100 Regular											
1000 Classroom Instruction			5,601	9,783				11,812	15,384	0 0.0%	
2100 Support Services - Students			0	0				0	0	0 0.0%	
2200 Support Services - Instructional Staff			0	0				0	0	0 0.0%	
Program 100 Subtotal (lines 4-6)			5,601	9,783				11,812	15,384	0 0.0%	
200 Special Education											
1000 Classroom Instruction			0	0				0	0	0 0.0%	
2100 Support Services - Students			0	0				0	0	0 0.0%	
2200 Support Services - Instructional Staff			0	0				0	0	0 0.0%	
Program 200 Subtotal (lines 8-10)			0	0				0	0	0 0.0%	
Other Programs (Specify)											
1000 Classroom Instruction			0	0				0	0	0 0.0%	
2100 Support Services - Students			0	0				0	0	0 0.0%	
2200 Support Services - Instructional Staff			0	0				0	0	0 0.0%	
Other Programs Subtotal (lines 12-14)			0	0				0	0	0 0.0%	
Total Classroom Site Fund 011- Base Salary	(412)	12,566	5,601	9,783			0	11,812	15,384	0 0.0%	(3,230)
Classroom Site Fund 012 - Performance Pay											
venues											
CSF Allocation (40%)		25,133									
Interest Earned		0									
Total Revenues (lines 17 & 18)		25,133									
Expenditures											
100 Regular											
1000 Classroom Instruction			26,647	0				0	0	0 0.0%	
2100 Support Services - Students			0	0				0	0	0 0.0%	
2200 Support Services - Instructional Staff			0	0				0	0	0 0.0%	
Program 100 Subtotal (lines 20-22)			26,647	0				0	0	0 0.0%	
200 Special Education											
1000 Classroom Instruction			0	0				0	0	0 0.0%	
2100 Support Services - Students			0	0				0	0	0 0.0%	
2200 Support Services - Instructional Staff			0	0				0	0	0 0.0%	
Program 200 Subtotal (lines 24-26)			0	0				0	0	0 0.0%	
Other Programs (Specify)											
1000 Classroom Instruction			0	0				0	0	0 0.0%	
2100 Support Services - Students			0	0				0	0	0 0.0%	
2200 Support Services - Instructional Staff			0	0				0	0	0 0.0%	
Other Programs Subtotal (lines 28-30)			0	0				0	0	0 0.0%	
Total Classroom Site Fund 012 - Performance Pay	73,320	25,133	26,647	0			0	0	26,647	0 0.0%	71,806

DISTRICT NAME PEACH SPRINGS UNIFIED SCHOOL

COUNTY MOHAVE

CTDS NUMBER 080208000

Revenue Object Codes/Expenditure Function Codes	Beginning Fund Balance	Actual Revenues	Salaries 6100	Employee Benefits 6200	Purchased Svs 6300, 6400, 6500 (1)	Supplies 6600	Other Interest 6840 (2)	Budget FY 2006-07	Totals Actual FY 2006-07	Actual FY 2006-06	% Increase/Decrease In Actual	Ending Fund Balance
Classroom Site Fund 013 - Other												
venues												
CSF Allocation (40%)	33.	25,133										33
Interest Earned	34.	0										34
Total Revenues (lines 33 & 34)	35.	25,133										35
Expenditures												
100 Regular												
1000 Classroom Instruction	36.		26,647	0	0	0		4,526	26,647	0	0.0%	36
2100 Support Services - Students	37.		0	0	0	0		0	0	0	0.0%	37
2200 Support Services - Instructional Staff	38.		0	0	0	0		0	0	0	0.0%	38
Program 100 Subtotal (Lines 36-38)	39.		26,647	0	0	0		4,526	26,647	0	0.0%	39
200 Special Education												
1000 Classroom Instruction	40.		0	0	0	0		0	0	0	0.0%	40
2100 Support Services - Students	41.		0	0	0	0		0	0	0	0.0%	41
2200 Support Services - Instructional Staff	42.		0	0	0	0		0	0	0	0.0%	42
Program 200 Subtotal (Lines 40-42)	43.		0	0	0	0		0	0	0	0.0%	43
530 Dropout Prevention												
1000 Classroom Instruction	44.		0	0	0	0		0	0	0	0.0%	44
Other Programs (Specify)												
1000 Classroom Instruction	45.		0	0	0	0		0	0	0	0.0%	45
2100, 2200 Support Serv. Students & Instructional Staff	46.		0	0	0	0		0	0	0	0.0%	46
Other Programs Subtotal (Lines 45 & 46)	47.		0	0	0	0		0	0	0	0.0%	47
Total Classroom Site Fund 013 - Other	48.	87,304	26,647	0	0	0		4,526	26,647	0	0.0%	48
Total Classroom Site Funds (lines 16, 32, and 48)	49.	160,212	58,895	9,783	0	0	0	16,338	68,678	0	0.0%	49

(1) For FY 2006-07, the district received Classroom Site Fund revenue of \$0 and expended \$0 in Fund 010, object code 6590 for Classroom Site Fund pass-through payments to district-sponsored charter schools. This amount is not included in the amounts reported for Fund 013.

Include amounts expended for registered warrant expense in Funds 011, 012, and 013 on lines 16, 32, and 48, respectively.

CAPITAL FUNDS (630, 685, 690, and 695) -- EXPENDITURES

Expenditures	Salaries 6100	Employee Benefits 6200	Library Books, Textbooks, & Instructional Aids 6641-6643	Property 6700	Interest 6840	Redemption of Principal 6850	All Other Object Codes	Totals	
								Budget	Actual
Bond Building Fund 630									
1000 Classroom Instruction				34,375			13,660	0	48,035
2000 Support Services									
2100, 2200 Students and Instructional Staff				6,317			0	0	6,317
2300, 2400, 2500, 280 Administration				0			0	95,777	0
2500, 2900 Property and Other				0			0	0	0
2700 Student Transportation				0			0	0	0
3000 Operation of Non-Instructional Services				0			0	0	0
4000 Facilities Acquisition and Construction Services				1,902,672			507	1,352,000	1,903,179
5000 Debt Service									0
Total Bond Building Fund (Lines 1-8)				1,943,364	0	0	14,167	1,447,777	1,957,531
Deficiencies Correction Fund 685									
1000 Classroom Instruction				0			0	0	0
2000 Support Services									
2100, 2200 Students and Instructional Staff				0			0	0	0
2300, 2400, 2500, 280 Administration				0			0	0	0
2600, 2900 Property and Other				26,228			0	0	26,228
2700 Student Transportation				0			0	0	0
3000 Operation of Non-Instructional Services				0			0	0	0
4000 Facilities Acquisition and Construction Services				0			0	0	0
5000 Debt Service							0	0	0
Total Deficiencies Correction Fund (Lines 10-17)				26,228	0	0	0	0	26,228
Building Renewal Fund 690									
1000 Classroom Instruction				0			0	0	0
2000 Support Services									
2100, 2200 Students and Instructional Staff				0			0	0	0
2300, 2400, 2500, 280 Administration				0			0	0	0
2600, 2900 Property and Other				0			0	92,000	0
2700 Student Transportation				0			0	0	0
3000 Operation of Non-Instructional Services				0			0	0	0
4000 Facilities Acquisition and Construction Services				0			0	0	0
5000 Debt Service							0	0	0
Total Building Renewal Fund (Lines 19-26)				0	0	0	0	92,000	0
New School Facilities Fund 695									
1000 Classroom Instruction			0	0			0	85,000	0
2000 Support Services									
2100, 2200 Students and Instructional Staff			0	0			0	0	0
2300, 2400, 2500, 280 Administration			0	0			0	0	0
2600, 2900 Property and Other			0	0			0	0	0
2700 Student Transportation			0	0			0	0	0
3000 Operation of Non-Instructional Services			0	0			0	0	0
4000 Facilities Acquisition and Construction Services			0	0			0	0	0
5000 Debt Service			0	0			0	0	0
Total New School Facilities Fund (Lines 28-35)			0	0	0	0	0	85,000	0

Capital Funds 630, 685, 690, and 695		
Bond Building Fund 630		
Beginning Fund Balance		156,235
Revenues		1,000
Other Financing Sources		390,000
Total Available (lines 1-3)		547,235
Expenditures		
Renovation	0	0
New Construction	0	1,943,364
Other	0	14,167
Total Expenditures (lines 5-7) (1)		1,957,531
Other Financing Uses	0	0
Ending Fund Balance (line 4 minus lines 8 and 9)		(1,410,296)
Deficiencies Correction Fund 685		
Beginning Fund Balance		0
Revenues		0
Total Available (lines 11 and 12)		0
Expenditures		
Renovation	0	0
New Construction	0	0
Other	0	26,228
Total Expenditures (lines 14-16) (1)		26,228
Ending Fund Balance (line 13 minus line 17)		(26,228)
Building Renewal Fund 690		
Beginning Fund Balance		81,852
Revenues		60,936
Total Available (lines 19 and 20)		142,788
Expenditures		
Renovation	0	0
Other	0	0
Total Expenditures (lines 22-23) (1)		0
Ending Fund Balance (line 21 minus line 24)		142,788
New School Facilities Fund 695		
Beginning Fund Balance		0
Revenues		0
Total Available (lines 26 and 27)		0
Expenditures		
New Construction	0	0
Other	0	0
Total Expenditures (lines 29-30) (1)		0
Ending Fund Balance (line 28 minus line 31)		0

Funds 630, 685, and 695

1. New construction cost per square foot \$ 0

2. Land acquisition costs \$ 0

		DEBT SERVICE FUND 700		ADJACENT WAYS FUND 620	
		BUDGET	ACTUAL	BUDGET	ACTUAL
Beginning Fund Balance	1.		55,030		0
Revenues & Other Sources	2.				
1110 Property Taxes	3.		395,292		0
1280 Revenue in Lieu of Taxes	4.		0		0
1300 Tuition	5.		0		
1400 Transportation Fees	6.		0		
1500 Earnings on Investments	7.		16,942		0
Other Local 1510	8.		(25,850)		0
State	9.		0		
5100 Sale of Bonds	10.		0		
5200 Interfund Transfers-In	11.		0		0
Total Revenue and Other Sources (lines 2 - 10)	12.		386,384		0
TOTAL AVAILABLE (lines 1 and 11)	13.		441,414		0
Expenditures & Other Uses	14.				
6830-6840 Interest	15.		25,850		0
6850 Redemption of Principal	16.		380,000		0
6100-6800 Expenditures (2)	17.		500		0
Total Expenditures (lines 13-15) (3)	18.		406,350		10,000
6930 Interfund Transfers-Out	19.		0		0
6940 Payment to Bond Escrow Agent	20.		0		0
TOTAL EXPENDITURES & OTHER USES (lines 16 through 19)	21.		406,350		10,000
ENDING FUND BALANCES (line 12 minus line 19)	22.		35,064		0

		BUDGET	ACTUAL
Instructional Improvement Fund 020			
Beginning Fund Balance	1.		8,740
Revenues	2.		18,068
Total Available (lines 1 and 2)	3.		26,808
Expenditures	4.		
Teacher Compensation Increases	5.	67,500	30,000
Class Size Reduction	6.	50,000	0
Dropout Prevention Programs	7.	100,000	0
Instructional Improvement Programs	8.	75,000	0
Total Expenditures (lines 4-7)	9.	292,500	30,000
Ending Fund Balance (line 3 minus line 8)			(3,192)

- (1) Total budgeted and actual expenditures for each fund must agree to the total amounts reported on page 6, by fund.
- (2) Other than interest and principal payments (6830-6850)
- (3) Obtain the budget amount from the district's FY 2006-07 latest revised adopted budget.

SPECIAL PROJECTS

	BEGINNING FUND BALANCE	REVENUE	NET INTERFUND TRANSFER (OUT) TO INDIRECT COSTS	EXPENDITURES		ENDING FUND BALANCE
				BUDGET	ACTUAL	
FEDERAL PROJECTS	ACTUAL	ACTUAL	ACTUAL			ACTUAL
100-130 ESEA Title I - Helping Disadvantaged Children	(9,467)	150,878	0	220,607	159,100	(17,689)
140-150 ESEA Title II - Prof. Development and Technology	(3,359)	15,290	0	30,654	26,165	(14,234)
160 ESEA Title IV - 21st Century Schools	0	0	0	3,938	0	0
170-180 ESEA Title V - Promote Informed Parent Choice	1,269	440	0	957	469	1,240
190 ESEA Title III - Limited English & Immigrant Students	58,115	0	0	218,376	0	58,115
200 ESEA Title VII - Indian Education	(58,093)	0	0	263,786	0	(58,093)
210 ESEA Title VI - Flexibility and Accountability	0	0	0	0	0	0
220 IDEA, Part B	34,213	48,865	0	503,816	59,585	23,513
230 Johnson-O'Malley	0	0	0	0	0	0
240 Workforce Investment Act	1,627	0	0	0	0	1,627
250 AEA-Adult Education	0	0	0	30,000	0	0
260-270 Vocational Education - Basic Grants	(3,781)	9,585	0	9,585	4,169	1,635
280 ESEA Title X - Homeless Education	0	0	0	0	0	0
290 Medicaid Reimbursement	0	0	0	275,415	0	0
3 - E-Rate	0	0	0	0	0	0
300-399 Other Federal Projects (exclude E-Rate on line 15 above)	0	1,800	0	35,800	0	1,800
Total Federal Project Funds (lines 1-16)	20,524	226,878	0	1,592,534	249,488	(2,086)

STATE PROJECTS

400 Vocational Education	0	0	0	0	0	0
410 Early Childhood Block Grant	0	9,746	0	16,000	6,206	3,540
420 Extended School Year - Pupils with Disabilities	(10,048)	0	0	12,000	55,389	(65,437)
425 Adult Basic Education	0	0	0	28,000	0	0
430 Chemical Abuse Prevention Programs	0	0	0	0	0	0
435 Academic Contests	0	0	0	0	0	0
445 At Risk Pupil Dropout Prevention Proj. (7-12)	0	0	0	0	0	0
450 Gifted	0	0	0	0	0	0
455 Family Literacy Pilot Program	0	0	0	0	0	0
460 Environmental Special Plate	0	0	0	0	0	0
465-499 Other State Projects	0	0	0	0	0	0
Total State Project Funds (lines 18-28)	633	39,570	0	445,428	6,721	34,482
Total Special Projects (lines 17 and 29)	(9,415)	49,316	0	501,428	67,316	(27,415)
	11,109	276,194	0	2,094,362	316,804	(29,501)

FEDERAL PROJECT FUNDS DETAIL

FUND AND FUNCTION CODES	Programs 100-500		Programs 700-900 All Object Codes	Total
	Object 6731-37	All Other Object Codes		
Fund 100-130 ESEA Title I				
1000	0	159,100	0	159,100
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	159,100	0	159,100
Fund 140-150 ESEA Title II				
1000	0	26,164	0	26,164
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	26,164	0	26,164
Fund 160 ESEA Title IV				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 170-180 ESEA Title V				
1000	0	468	0	468
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	468	0	468
Fund 190 ESEA Title III				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 200 ESEA Title VII				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 210 ESEA Title VI				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 220 IDEA				
1000	0	36,304	0	36,304
2000-3000	0	23,282	0	23,282
4000-5000	0	0	0	0
Total	0	59,586	0	59,586
Fund 230 Johnson-O'Malley				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 240 Workforce Investment Act				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 250 AEA-Adult Education				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 260-270 Vocational Education				
1000	0	795	0	795
2000-3000	0	3,375	0	3,375
4000-5000	0	0	0	0
Total	0	4,170	0	4,170
Fund 280 ESEA Title X				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 290 Medicaid Reimbursement				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 3-- E-Rate				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Fund 300-399 Other Federal Projects				
1000	0	0	0	0
2000-3000	0	0	0	0
4000-5000	0	0	0	0
Total	0	0	0	0
Total Federal Projects Funds	0	249,488	0	249,488

STATE PROJECT AND OTHER FUNDS DETAIL

FUND AND FUNCTION CODES		Programs 100-600			Progs. 700-900		
STATE PROJECT FUNDS		Object 6731-37	All Other Object Codes	Total	All Object Codes	Total	
Fund 400 Vocational Education							
1.	1000	0	0	0			
2.	2000-3000	0	0	0			
3.	4000-5000	0	0	0			
4.	Total	0	0	0			
Fund 410 Early Childhood Block Grant							
5.	1000	0	6,000	6,000			
6.	2000-3000	0	206	206			
7.	4000-5000	0	0	0			
8.	Total	0	6,206	6,206			
Fund 420 Ext. School Yr.-Pupils w/ Disab							
9.	1000	0	55,389	55,389			
10.	2000-3000	0	0	0			
11.	4000-5000	0	0	0			
12.	Total	0	55,389	55,389			
Fund 425 Adult Basic Education							
13.	1000	0	0	0			
14.	2000-3000	0	0	0			
15.	4000-5000	0	0	0			
16.	Total	0	0	0			
Fund 430 Chemical Abuse Prevention							
17.	1000	0	0	0			
18.	2000-3000	0	0	0			
19.	4000-5000	0	0	0			
20.	Total	0	0	0			
Fund 435 Academic Contests							
21.	1000	0	0	0			
22.	2000-3000	0	0	0			
23.	4000-5000	0	0	0			
24.	Total	0	0	0			
Fund 445 At-Risk Pupil Dropout Prevention							
25.	1000	0	0	0			
26.	2000-3000	0	0	0			
27.	4000-5000	0	0	0			
28.	Total	0	0	0			
Fund 450 Gifted							
29.	1000	0	0	0			
30.	2000-3000	0	0	0			
31.	4000-5000	0	0	0			
32.	Total	0	0	0			
Fund 455 Family Literacy Pilot							
33.	1000	0	0	0			
34.	2000-3000	0	0	0			
35.	4000-5000	0	0	0			
36.	Total	0	0	0			
Fund 460 Environmental Special Plate							
37.	1000	0	0	0			
38.	2000-3000	0	0	0			
39.	4000-5000	0	0	0			
40.	Total	0	0	0			
STATE PROJECT FUNDS (concl'd)							
Fund 465-499 Other State Projects							
41.	1000	0	5,721	5,721			
42.	2000-3000	0	0	0			
43.	4000-5000	0	0	0			
44.	Total	0	5,721	5,721			
45.	Total State Projects Funds	0	67,316	67,316			
OTHER FUNDS							
Fund 020 Instructional Improvement							
1.	1000	0	30,000	30,000			
2.	2000	0	0	0			
3.	Total	0	30,000	30,000			
Fund 050 County, City, and Town Grant							
4.	1000	0	0	0			
5.	2000-3000	0	0	0			
6.	4000-5000	0	0	0			
7.	Total	0	0	0			
Fund 060 Full-Day Kindergarten							
8.	1000	0	0	0			
9.	2000-3000	0	0	0			
10.	Total	0	0	0			
Fund 065 Full-Day Kindergarten Capital							
11.	1000	0	0	0			
12.	2000-3000	0	0	0			
13.	4000-5000	0	0	0			
14.	Total	0	0	0			
Fund 072 Compensatory Instruction							
15.	1000	0	0	0			
16.	2000-3000	0	0	0			
17.	Total	0	0	0			
Fund 500 School Plant (Lease Over 1 yr)							
18.	1000	0	0	0			
19.	2000-3000	0	0	0			
20.	4000-5000	0	0	0			
21.	Total	0	0	0			
Fund 505 School Plant (Lease 1 yr or less)							
22.	1000	0	0	0			
23.	2000-3000	0	0	0			
24.	4000-5000	0	0	0			
25.	Total	0	0	0			
Fund 506 School Plant (Sale)							
26.	1000	0	0	0			
27.	2000-3000	0	0	0			
28.	4000-5000	0	0	0			
29.	Total	0	0	0			
Fund 515 Civic Center							
30.	1000	0	0	0			
31.	2000-3000	0	0	0			
32.	4000-5000	0	0	0			
33.	Total	0	0	0			

FUND AND FUNCTION CODES

OTHER FUNDS DETAIL (Conc'd)

FUND AND FUNCTION CODES

	Programs 100-600		Progs. 700-900		Total
	Object 6731-37	All Other Object Codes	Object Codes	All Object Codes	
Fund 520 Community School					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 525 Auxiliary Operations					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 526 Extracurricular Activities Fees					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 530 Gifts and Donations					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 535 Career & Tech Ed & Voc Ed Projects					
1000	0	8,472	0	8,472	8,472
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	8,472	0	8,472	8,472
Fund 540 Fingerprint					
1000	0	3,000	0	3,000	3,000
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	3,000	0	3,000	3,000
Fund 545 School Opening					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 550 Insurance Proceeds					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 555 Textbooks					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 555 Litigation Recovery					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 570 Indirect Costs					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 575 Unemployment Insurance					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0

Fund 580 Teacherage					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	2,200	0	2,200	2,200
Total	0	2,200	0	2,200	2,200
Fund 585 Insurance Refund					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 590 Grants and Gifts to Teachers					
1000	0	19,662	0	19,662	19,662
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	19,662	0	19,662	19,662
Fund 595 School Bus Advertisement					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 639 Impact Aid Revenue Bond Bldg					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 640 School Plant-Special Construction					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 650 Gifts and Donations (Capital)					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 660 Condemnation					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 670 Capital Equity					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Fund 685 Emergency Deficiencies Correction					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0
Other Funds (Funds on p 9 of 12, line 36)					
1000	0	0	0	0	0
2000-3000	0	0	0	0	0
4000-5000	0	0	0	0	0
Total	0	0	0	0	0

1. Is the District a member of a Joint Technological Education District (JTED)?

2. If answer to #1 is yes, indicate name of the JTED.

3. Fund number used by District to account for activity related to the JTED (if applicable)

Select Yes or No

☐ Yes☒ No

DISTRICT NAME PEACH SPRINGS UNIFIED SCHOOL COUNTY MOHAVE CTDS NUMBER 08 02 08 000

FY 2006-07
STATE OF ARIZONA



SUPPLEMENT TO
ANNUAL FINANCIAL REPORT
FOR
SPECIAL EDUCATION DISABILITY TITLE 8, P.L. 103-382 ADD-ON
SPECIAL K-3 PROGRAM OVERRIDE (A.R.S. §15-482)
JOINT CAREER AND TECHNICAL EDUCATION and VOCATIONAL EDUCATION CENTER
(A.R.S. §15-910.01)
ENGLISH LANGUAGE LEARNERS (A.R.S. §15-756.11)

**MAINTENANCE AND OPERATION (FUND 001) EXPENDITURES FOR SPECIAL EDUCATION DISABILITY TITLE 8, P.L. 103-382 ADD-ON (PROGRAM 300), SPECIAL K-3 PROGRAM
OVERRIDE**

EXPENDITURES	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Other 6800	Totals	
						Budget	Actual
300 Special Education Disability Title 8 P.L. 103-382 Add-On							
1000 Classroom Instruction	0	0	0	0	0	0	0
2000 Support Services							
2100 Students	0	0	0	0	0	0	0
2200 Instructional Staff	0	0	0	0	0	0	0
2300 General Administration	0	0	0	0	0	0	0
2400 School Administration	0	0	0	0	0	0	0
2500, 2800 Business and Central	0	0	0	0	0	0	0
2600 Operation and Maintenance of Plant Services	0	0	0	0	0	0	0
2900 Other	0	0	0	0	0	0	0
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0
Total (lines 1-9) <i>[must agree with the AFR (ADE/AG 41-202), page 2, line 25]</i>	517	0	0	0	0	74,166	517
520 Special K-3 Program Override							
1000 Classroom Instruction	0	0	0	0	0	0	0
2000 Support Services							
2100 Students	0	0	0	0	0	0	0
2200 Instructional Staff	0	0	0	0	0	0	0
2300 General Administration	0	0	0	0	0	0	0
2400 School Administration	0	0	0	0	0	0	0
2500, 2800 Business and Central	0	0	0	0	0	0	0
2600 Operation and Maintenance of Plant Services	0	0	0	0	0	0	0
2900 Other	0	0	0	0	0	0	0
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0
TOTAL (lines 11-19) <i>[must agree with the AFR (ADE/AG 41-202), page 2, line 28]</i>	517	0	0	0	0	74,166	517
540 Joint Career and Technical Ed. and Vocational Ed. Center							
1000 Classroom Instruction	0	0	0	0	0	0	0
2000 Support Services							
2100 Students	0	0	0	0	0	0	0
2200 Instructional Staff	0	0	0	0	0	0	0
2300 General Administration	0	0	0	0	0	0	0
2400 School Administration	0	0	0	0	0	0	0
2500, 2800 Business and Central	0	0	0	0	0	0	0
2600 Operation and Maintenance of Plant Services	0	0	0	0	0	0	0
2900 Other	0	0	0	0	0	0	0
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0
TOTAL (lines 21-29) <i>[must agree with the AFR (ADE/AG 41-202), page 2, line 32]</i>	0	0	0	0	0	0	0

**UNRESTRICTED CAPITAL OUTLAY FUND (610) EXPENDITURES FOR
SPECIAL EDUCATION DISABILITY TITLE 8, P.L. 103-382 ADD-ON; SPECIAL K-3 PROGRAM OVERRIDE (A.R.S. §15-482) AND
JOINT CAREER AND TECHNICAL EDUCATION AND VOCATIONAL EDUCATION CENTER (A.R.S. §15-910.01)**

Expenditures	Rentals 6440	Library Books, Textbooks, & Instructional Aids 6643-6643	Property 6700	Interest 6830-6840	Redemption of Principal 6850	All Other Object Codes	Totals	
							Budget	Actual
300 Special Education Disability Title 8 P.L. 103-382 Add-On								
1000 Classroom Instruction	0	0	0	0	0	0	0	0
2000 Support Services	0	0	0	0	0	0	0	0
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0
4000 Facilities Acquisition and Construction Services	0	0	0	0	0	0	0	0
5000 Debt Service	0	0	0	0	0	0	0	0
Subtotal (Lines 1-5)	0	0	0	0	0	0	0	0
520 Special K-3 Program Override								
1000 Classroom Instruction	0	0	0	0	0	0	0	0
2000 Support Services	0	0	0	0	0	0	0	0
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0
4000 Facilities Acquisition and Construction Services	0	0	0	0	0	0	0	0
5000 Debt Service	0	0	0	0	0	0	0	0
Subtotal (Lines 7-11)	0	0	0	0	0	0	0	0
540 Joint Career & Technical Ed. & Vocational Ed. Center								
1000 Classroom Instruction	0	0	0	0	0	0	0	0
2000 Support Services	0	0	0	0	0	0	0	0
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0
4000 Facilities Acquisition and Construction Services	0	0	0	0	0	0	0	0
5000 Debt Service	0	0	0	0	0	0	0	0
Subtotal (Lines 13-17)	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES (1)	0	0	0	0	0	0	0	0
(lines 6, 12, and 18)								

(1) Amounts included here must also be included on AFR (ADE/AG 41-202), page 5, lines 2-9 as appropriate.

ENGLISH LANGUAGE LEARNERS (A.R.S. §15-756.11)
COMPENSATORY INSTRUCTION FUND 072--REVENUES, EXPENDITURES, AND FUND BALANCE

Revenue Object Codes/Expenditure Function Codes	Beginning Fund Balance	Actual Revenues	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Property 6700	Other 6800	Total Expenditures		Ending Fund Balance
									Budget	Actual	
Revenues											
3200 Restricted Revenue from State Sources	1.	0									1
1510 Interest on Investments	2.	0									2
Total Revenues (lines 1 & 2)	3.	0									3
Expenditures											
1000 Classroom Instruction	4.		0	0	0	0	0	0	0	0	4
2000 Support Services	5.		0	0	0	0	0	0	0	0	5
2100 Students	6.		0	0	0	0	0	0	0	0	6
2200 Instructional Staff	7.		0	0	0	0	0	0	0	0	7
2300 General Administration	8.		0	0	0	0	0	0	0	0	8
2400 School Administration	9.		0	0	0	0	0	0	0	0	9
2500, 2800 Business and Central	10.		0	0	0	0	0	0	0	0	10
2600 Operation and Maintenance of Plant Services	11.		0	0	0	0	0	0	0	0	11
2700 Student Transportation	12.		0	0	0	0	0	0	0	0	12
2900 Other	13.		0	0	0	0	0	0	0	0	13
3000 Operation of Noninstructional Services											
Total Compensatory Instruction Fund [must agree with the AFR (ADE/AG41-202) page 9, line 4]	14.	0	0	0	0	0	0	0	0	0	14

DISTRICT NAME PEACH SPRINGS UNIFIED SCHOOL

COUNTY

MOHAVE

CTDS NUMBER 08 02 08 000

FY 2006-07

**SUPPLEMENT TO
ANNUAL FINANCIAL REPORT
FOR
DESEGREGATION (A.R.S. §15-910)**

FISCAL YEAR 2006-07 DISTRICTWIDE DESEGREGATION EXPENDITURES [A.R.S. §15-910(J)]

Maintenance and Operation (M&O) Fund Expenditures							Number of individual school reports		0
	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Other 6800	Totals		% Increase / Decrease In Actual	
						Budget FY 2006-07	Actual FY 2006-07		
511 Desegregation - Regular Education									
1000 Classroom Instruction	0	0	0	0	0	0	0	0.0%	
2000 Support Services									
2100 Students	0	0	0	0	0	0	0	0.0%	
2200 Instructional Staff	0	0	0	0	0	0	0	0.0%	
2300 General Administration	0	0	0	0	0	0	0	0.0%	
2400 School Administration	0	0	0	0	0	0	0	0.0%	
2500, 2800 Business and Central	0	0	0	0	0	0	0	0.0%	
2600 Operation and Maintenance of Plant Services	0	0	0	0	0	0	0	0.0%	
2900 Other	0	0	0	0	0	0	0	0.0%	
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0.0%	
Subtotal (Lines 1-9)	0	0	0	0	0	0	0	0.0%	
512 Desegregation - Special Education									
1000 Classroom Instruction	0	0	0	0	0	0	0	0.0%	
2000 Support Services									
2100 Students	0	0	0	0	0	0	0	0.0%	
2200 Instructional Staff	0	0	0	0	0	0	0	0.0%	
2300 General Administration	0	0	0	0	0	0	0	0.0%	
2400 School Administration	0	0	0	0	0	0	0	0.0%	
2500, 2800 Business and Central	0	0	0	0	0	0	0	0.0%	
2600 Operation and Maintenance of Plant Services	0	0	0	0	0	0	0	0.0%	
2900 Other	0	0	0	0	0	0	0	0.0%	
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0.0%	
Subtotal (Lines 11-19)	0	0	0	0	0	0	0	0.0%	
513 Desegregation - Pupil Transportation									
1000 Classroom Instruction	0	0	0	0	0	0	0	0.0%	
2000 Support Services									
2100 Students	0	0	0	0	0	0	0	0.0%	
2200 Instructional Staff	0	0	0	0	0	0	0	0.0%	
2300 General Administration	0	0	0	0	0	0	0	0.0%	
2400 School Administration	0	0	0	0	0	0	0	0.0%	
2500, 2800 Business and Central	0	0	0	0	0	0	0	0.0%	
2600 Operation and Maintenance of Plant Services	0	0	0	0	0	0	0	0.0%	
2700 Student Transportation	0	0	0	0	0	0	0	0.0%	
2900 Other	0	0	0	0	0	0	0	0.0%	
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0.0%	
Subtotal (Lines 22-31)	0	0	0	0	0	0	0	0.0%	

FISCAL YEAR 2006-07 DISTRICTWIDE DESEGREGATION EXPENDITURES [A.R.S. §15-910(J)]

(M&O) Fund (Concluded) Expenditures	Salaries 6100	Employee Benefits 6200	Purchased Services 6300, 6400, 6500	Supplies 6600	Other 6800	Totals		% Increase / Decrease In Actual
						Budget FY 2006-07	Actual FY 2006-07	
515 Desegregation - ELL Compensatory Instruction								
1000 Classroom Instruction	33.	0	0	0	0	0	0	33.
2000 Support Services								
2100 Students		0	0	0	0	0	0	34.
2200 Instructional Staff		0	0	0	0	0	0	35.
2300 General Administration		0	0	0	0	0	0	36.
2400 School Administration		0	0	0	0	0	0	37.
2500, 2800 Business and Central		0	0	0	0	0	0	38.
2600 Operation and Maintenance of Plant Services		0	0	0	0	0	0	39.
2700 Student Transportation		0	0	0	0	0	0	40.
2900 Other		0	0	0	0	0	0	41.
3000 Operation of Noninstructional Services		0	0	0	0	0	0	42.
Subtotal (Lines 33-42)		0	0	0	0	0	0	43.
Total M&O Fund Desegregation (lines 10, 20, 21, 32, & 43) (to AFR, page 2, line 27)	44.	0	0	0	0	0	0	44.

1. The date that the school district was determined to be out of compliance with Title VI of the Civil Rights Act of 1964 (42 United States Code Section 2000d) and the basis for that determination.
A.R.S. §15-910(J)(3)(c)

2. The initial date that the school district began to levy property taxes to provide funding for desegregation expenses. A.R.S. §15-910(J)(3)(d)

3. An estimate of when the school district will be in compliance with the court order or administrative agreement. A.R.S. §15-910(J)(3)(f)

4. Number of students who participate in desegregation activities

Desegregation Revenues A.R.S. §15-910(J)(3)(a) & (f):

Tax Levy: \$ 0

Other (description): \$ 0

Other (description): \$ 0

Other (description): \$ 0

Teachers	Administrators	Others	Total
0	0	0	0

The amounts above should be the actual number of positions required.

FISCAL YEAR 2006-07 DISTRICTWIDE DESEGREGATION EXPENDITURES [A.R.S. §15-910(J)]

Unrestricted Capital Outlay (UCO) Fund Expenditures	Rentals 6440	Library Books, Textbooks, & Instructional Aids 6641-6643	Property 6700	Interest 6830, 6840	Redemption of Principal 6850	All Other Object Codes	Totals		% Increase / Decrease in Actual
							Budget FY 2006-07	Actual FY 2006-07	
511 Desegregation - Regular Education									
1000 Classroom Instruction	0	0	0	0	0	0	0	0	0.0%
2000 Support Services	0	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0	0.0%
4000 Facilities Acquisition and Construction Services	0	0	0	0	0	0	0	0	0.0%
5000 Debt Service	0	0	0	0	0	0	0	0	0.0%
Subtotal (lines 45-49)	0	0	0	0	0	0	0	0	0.0%
512 Desegregation - Special Education									
1000 Classroom Instruction	0	0	0	0	0	0	0	0	0.0%
2000 Support Services	0	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0	0.0%
4000 Facilities Acquisition and Construction Services	0	0	0	0	0	0	0	0	0.0%
5000 Debt Service	0	0	0	0	0	0	0	0	0.0%
Subtotal (lines 51-55)	0	0	0	0	0	0	0	0	0.0%
513 Desegregation - Pupil Transportation									
514 Desegregation - ELL Incremental Costs									
1000 Classroom Instruction	0	0	0	0	0	0	0	0	0.0%
2000 Support Services	0	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0	0.0%
4000 Facilities Acquisition and Construction Services	0	0	0	0	0	0	0	0	0.0%
5000 Debt Service	0	0	0	0	0	0	0	0	0.0%
Subtotal (lines 58-62)	0	0	0	0	0	0	0	0	0.0%
515 Desegregation - ELL Compensatory Instruction									
1000 Classroom Instruction	0	0	0	0	0	0	0	0	0.0%
2000 Support Services	0	0	0	0	0	0	0	0	0.0%
3000 Operation of Noninstructional Services	0	0	0	0	0	0	0	0	0.0%
4000 Facilities Acquisition and Construction Services	0	0	0	0	0	0	0	0	0.0%
5000 Debt Service	0	0	0	0	0	0	0	0	0.0%
Subtotal (lines 64-68)	0	0	0	0	0	0	0	0	0.0%
Total UCO Fund Desegregation (lines 50, 56, 57, 63, & 69) (Include in Fund 610 AFR, page 5, lines 2-9)	0	0	0	0	0	0	0	0	0.0%

CLASSROOM SITE FUND
NARRATIVE RESULTS SUMMARY FISCAL YEAR (FY) 2006-07

As required by A.R.S. §15-977(J), districts must provide a summary of results achieved through programs funded with Classroom Site Fund (CSF) monies. This summary information is used to annually report district-specific and statewide Proposition 301 results. Please include details in your responses, such as the number of teachers/students participating in various programs, program results, and amounts spent.

To calculate the average amounts per employee by fund, divide the total salary paid from each fund by the number of employees paid out of each fund.

Keep all descriptions and information within designated cells. Information in cells may not be fully visible. To view all information entered, scroll through the cell.

[illegible]

Fiscal year 2006-07 performance payments include

Performance Pay Goals and Results (Fund 012)				
Goal type [Including goals described in A.R.S. §15-977 (C) - (E)]	Number of goals established	Number of goals achieved	Achievement based on (select below)	Comments / Descriptive information (Please describe the goal, how performance was measured, and results achieved)
School district performance	0	0		
School performance	0	0		
Measures of academic progress (student achievement)	0	0		
Dropout/graduation rates	0	0		
Student attendance	0	0		
Parent / student satisfaction	0	0		
Parent involvement	0	0		
Teacher attendance	0	0		
Teacher professional development	0	0		
Teacher evaluations / demonstrated skills	0	0		
Leadership activities (mentor, committee work, etc.)	0	0		
Tutoring / extracurricular activities	0	0		
Other (describe below)				
	0	0		
	0	0		
	0	0		
	0	0		
	0	0		

District Name: PEACH SPRINGS UNIFIED SCHOOL
 CTDS Number: 08.02.08.000

A.R.S. §15-977 Performance Pay Plan Compliance Questions

Does the district's fiscal year 2006-07 Proposition 301 plan include:

The input of teachers and administrators? ☒ Yes ☐ No
 An appeals process for teachers who have been denied performance pay? ☒ Yes ☐ No
 A regular evaluation process for effectiveness? ☒ Yes ☐ No

Was the district's fiscal year 2006-07 Proposition 301 plan approved by a vote of at least 70 percent of teachers eligible to participate in the plan? ☒ Yes ☐ No
 Were any modifications of the goal elements, as listed in A.R.S. §15-977 (C) or additional goal elements, adopted by the governing board at a public hearing? ☐ Yes ☒ No

Menu Options (Fund 013)

Menu Options (Fund 013) Salary Information				
Positions	Number of FTE eligible for Fund 013 pay	Number of FTE receiving Fund 013 pay	Average Fund 013 salary (w/o benefits) per FTE*	Range of Fund 013 salary (w/o benefits) per FTE, if applicable* High Low
Classroom teachers	22	22	1211.23	1211.23 0
Instructional aides	0	0	0	0 0
Librarians	0	0	0	0 0
Speech pathologists	0	0	0	0 0
Audiologists	0	0	0	0 0
Counselors	0	0	0	0 0
Other staff (list position(s) below)	0	0	0	0 0
	0	0	0	0 0
	0	0	0	0 0
	0	0	0	0 0
	0	0	0	0 0
	0	0	0	0 0

*Exclude class size reduction, which is reported below.

Menu Options (Fund 013) FY 2006-07 results (list the amount spent in each allowable area and briefly describe the results achieved)

Menu Option (the notations in parentheses are examples of types of information to provide when summarizing results)	FY 2006-07 Expenditures	Description of Results (Please enter any information needed to further describe how the district used Fund 013 monies.)
Class size reduction (Number of teachers and/or aides hired, subjects taught, courses added, resulting change in class size.)	\$0.00	
Teacher compensation increases (Expenditures from Fund 013 for base salary and benefits increases, or pay for additional duties not included in other menu option categories. For example, if teachers earned monies for providing AIMS intervention tutoring, report those amounts in the AIMS intervention category.)	\$0.00	
AIMS intervention (Number of teachers participating and compensation earned, if any; number of students participating; activities initiated; changes in test scores, or other results.)	\$0.00	
Teacher development (Number of teachers participating and compensation earned, if any; activities involved. For example, "10 teachers earned up to \$1,500 each for completing 15 hours of professional development in math, reading, and technology.")	\$0.00	

Dropout prevention (Activities initiated; number of students impacted; results. For example, "50 at risk students participated in summer programs and earned credits toward graduation.")	\$0.00
Teacher liability insurance (Include only CSF monies spent for liability premiums. Do not include liability premiums paid from other funds.)	\$0.00
Total (should agree to AFR page 4, line 48 total)	\$0.00

Classroom Site Fund expenditures for administrative functions

Laws 2000, 5th Special Session, Chapter 1, §62, prohibits CSF monies from being used for administrative functions. Administrative functions include those activities associated with general administration, school administration, business and central, and other support services. If your district has CSF expenditures coded to these functions, describe the activities for which these monies were spent.

Expenditures with and without Classroom Site Fund monies

A.R.S. §15-977 prohibits supplanting, or using CSF monies to replace monies from other sources that were previously used for school site funding or teacher compensation. If your district spent less monies on teacher compensation or school-level expenditures from non-CSF sources in FY 2006-07 than in FY 2000-01 (the last year without CSF revenues), it may have supplanted. If, based on reported non-CSF expenditures, it appears that your district might have supplanted, describe any factors that explain the difference in your district's expenditures.

Other Comments (please include any additional information or comments you believe are necessary to ensure the information provided above is interpreted and reported correctly)

Average FY 2006-07 classroom teacher salary (For instructions on how to calculate average classroom teacher salary, see the USFR memorandum that accompanies this form.)
Average salary including CSF monies (including funds 011, 012, and 013)

0

Average salary excluding CSF monies

0

Contact Information

Name Vickie Logan

Title Financial Consultant

Telephone (928) 769-2202

Email loganv@psusd.k12.az.us

District Name: PEACH SPRINGS UNIFIED SCHOOL

CTDS Number: 08 02 08 000

Beginning Fund Balance (1)

REVENUES

1500 Earnings on Investments

1600 Food Service

Other Local

4500 Restricted Revenue Rec. from Fed. Gov

4900 Revenue for/on Behalf of the District (2)

TOTAL REVENUE (lines 2 - 6)

5200 Interfund Transfers In

TOTAL AVAILABLE (lines 1, 7 & 8)

A. Number of operating month

B. Number of Meals Serve

1. Children's Reimbursable Meals

2. Adult Workers

3. Other Adults

C. Number of non-reimbursable Snacks, A La Carte Servings and other meals*

* Divide all snacks, a la carte, and catering revenues by the free lunch reimbursement rate received.

D. Meal Prices

1. Reduced breakfast

2. Reduced lunch

3. Reduced snack

4. Paid breakfast

5. Paid lunch

6. Paid snack

E. Special Milk Program

Charge to children per 1/2 pint milk unit

Number of 1/2 pint milk units served to children

FUND 510	1.
ACTUAL	(181)
1.	0
2.	0
3.	6,089
4.	0
5.	130,676
6.	0
7.	136,775
8.	0
9.	136,594

0

BREAKFAST LUNCHES SNACKS

0.00	0.00	0.00
0.00	0.00	0.00
0.00	0.00	0.00

0

P-6 7-8 9-12 Adult

0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00

\$	0.00
	0

FOOD SERVICE

EXPENDITURES

6150 Classified Salaries

6200 Employee Benefits

6400 Purchased Property Services

6570 Food Service Management

6592 Services Purchased from Other AZ Districts

6610 General Supplies (Non Food Items)

6620 Energy

6631 USDA Commodities (Excluding Freight)

6632 Other Food

6700 Property (Excluding 6731-37)

6731-37 Furniture & Equipment, Vehicles, & Tech.

Other Expenditure

TOTAL EXPENDITURES (lines 10-22)

6910 Indirect Costs

6930 Interfund Transfers-Out

TOTAL EXPENDITURES & OTHER USES

(lines 23-25)

Ending Fund Balance (line 9 minus line 26) (1)

FOOD SERVICE FUND 510		MAINTENANCE & OPERATION FUND 001 Function 3100 only (4)		CAPITAL PURCHASES FUND 610 & 625 (3)(4)	
BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	58,672	0	0	0	0
	17,789	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	605	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	13,035	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	77,311	0	0	0	0
	167,412	0	0	0	0
	0	0	0	0	0
	167,412	0	0	0	0
	(30,818)	0	0	0	0

F. Detail of Food Service Management Company Expenditures

Classified Salaries	\$	0
Employee Benefits	\$	0
Supplies and Materials (Nonfood)	\$	0
Food	\$	0
Management Fee	\$	0
Other	\$	0
Total (must equal total of amounts on line 13 above)	\$	0

(1) Includes Food Service Fund revolving account cash balance on hand of \$ 0 AT 7/1/06 and \$ 0 AT 6/30/07.

(2) Include the value of USDA Commodities on this line (excluding freight), as well as cash received from the USDA instead of commodities.

(3) Include Unrestricted Capital Outlay and Soft Capital Allocation expenditures for equipment charged to function 3100 and Unrestricted Capital Outlay expenditures for the acquisition or construction of land, buildings, and related improvements for the food service program charged to function 4000.

(4) Include amounts used to meet State Matching requirements pursuant to Code of Federal Regulations Title 7, Part 210.17(a).